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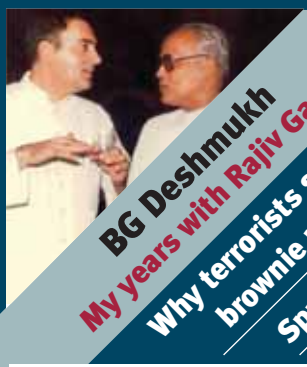

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R.N.I. NO: DELENG/2007/19719
gfiles
INSIDE THE GOVERNMENT

A FORMER Vice-Chairman of the Delhi Development Authority (DDA), Dinesh Rai of the IAS' 1974-batch UP cadre has considerable experience in the industry sector. He is considered a ready reckoner on the industries and housing sector of the country. Rai has served as Collector of Gorakhpur, Pilibhit and Varanasi. His career in government has revolved around agriculture, urban development, and human resource development. A postgraduate in physics, he was appointed Secretary in the Ministry of Micro, Small and Medium Enterprises in February 2008. He is known for painstaking probing of details.

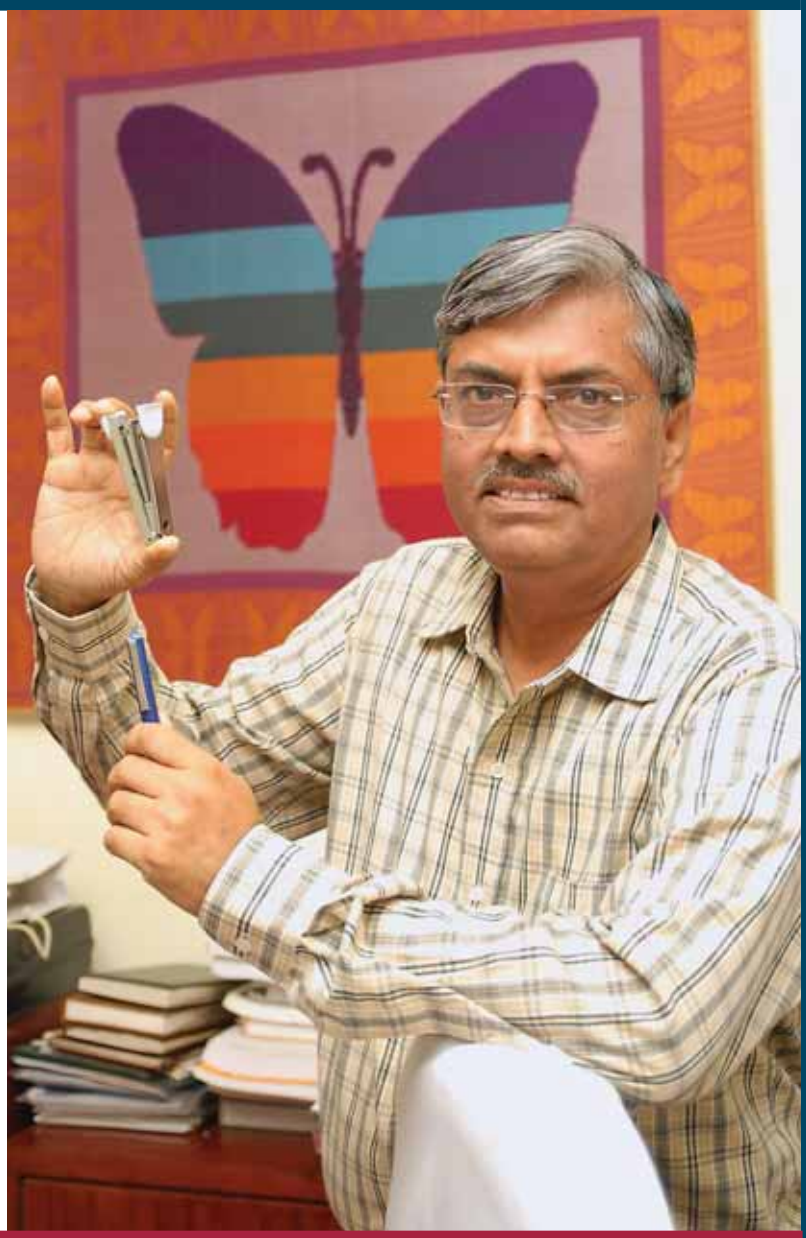
interviewed by ANIL TYAGI

gfiles: *What is the scenario regarding small-scale industries post-liberalization?*

Dinesh Rai: After liberalization we had over 800 reserved items in the SSI (Small-Scale Industry) sector. Because of cheaper imports, we were finding it difficult to compete with large sectors. So our policy was to examine the areas and see whether we needed to be there or not. Over the years we have pruned the list to 21 items out of 800. We felt that those 21 items should be protected as they create mass employment – for instance, manufacturing of matchboxes, text-books, furniture, carpets etc.

gfiles: *After focusing on 21 items out of 800, what change have you noticed?*

DR: There are two to three indicators to judge the change. First is growth. Growth in this sector is highest – 12.6 per cent annual growth. It is higher than in bigger industries. The number of units is over three million, employing about 31 million people. Our industrial production is almost 35-40 per cent of the total industrial production. We have the same figures in exports. So we can see the sector is contributing in a major way by employing a large number of people. Employment in the organized sector is static due to cost-cutting and so on



SHARAD SAXENA

BIG BOSS

secretary, micro, small & medium enterprises | dinesh rai

'Chinese products are not able to beat Indian manufacturers'

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somebody's pain is almost always somebody else's gain
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whereas Micro, Small and Medium Enterprises (MSME) is a dynamic sector.

gfiles: *When you talk about small-scale units, what are the financial parameters?*

DR: Small-scale unit limit is Rs 5 crore, while for medium limit it is Rs 10 crore. The important thing is that, after agriculture, it provides maximum employment with inclusive growth and binds the social fabric of rural India. There can be local raw material industry like forest; this takes care of local demand, provides jobs, creates self-employment and stops urban migration. The advantage of MSME is that raw material and demand is locally available and people can find jobs where they live.

gfiles: *Are small industries helping people to avoid migrating from rural to urban India?*

DR: Once you provide jobs in rural areas, why will people go to cities? Their family life suffers when they are forced to go to urban areas for jobs. It is a kind of socio-economic development.

'Growth in this sector is highest – 12.6 per cent annual growth. It is higher than in bigger industries'

gfiles: *What is the government's focus regarding industry post-liberalization?*

DR: The focus is on how to make it more competitive and face competition from bigger industry and imports.

gfiles: *How are you going to do this?*

DR: We help industry on four counts – skill development, credit, technology, market. For skill development, we have several programmes from the lower end to the highest end – like how to extract honey, computers, CAD/CAM, food processing, stitching clothes, binding of transformers, footwear, making pottery. In Hyderabad, I saw people working on nuclear reactor equipment during the ban. Even B Tech people are joining our tool rooms.

We train around 2 lakh people. This year's target is to train 3 lakh. Eventually, we have to reach the 5-lakh figure by the end of the Eleventh Plan. We started with 1.8 lakh.

gfiles: *What about credit?*

DR: Banks used to ask for collaterals but lately the Reserve Bank of India has issued instructions that no collaterals up to Rs 5 lakh is required. Banks are public entities so the government created a credit guarantee fund operated through a trust managed by Small Industrial Development Bank of India (SIDBI). For bank loans, SIDBI gives a guarantee up to 75 per cent and 80 per cent for special groups like women and the Northeast. About 1.2 lakh such cases have been covered. This has really helped flow of credit in this sector. The policy guideline is that the overall credit flow to this sector should double in five years.

gfiles: *What are you doing regarding technology?*

DR: We have identified 48 products and processes in credit link subsidy schemes. There is another bold initiative, the National Manufacturing Competitiveness Programme, which aims at making units more competitive. Bar coding of product is one scheme which provides 75 per cent subsidy to those who introduce it. There is also a scheme for incubators; this is basically for research in engineering colleges on new ideas. There is another scheme called Intellectual Property Right. We provide the budget of Rs 55 crore. There are geographical indicators like Basmati Rice, Banarsi Sarees and so on. We set up IPR centres to help. It is a very costly process; we motivate them to file their claims.

We have a new scheme called Lean Manufacturing, evolved by Toyota, where you learn to cut costs and processes and become more competitive. For this, consultants' fees are very expensive. The government will give 80 per cent of the fees and the remaining will come from associations. It will work like a cluster.

We have another scheme called Mini Tool Room. For this, we would prefer Public-Private Partnership. It is for high-tech industries like automobiles and biotechnology. We are willing to offer 40 per cent subsidy per project up to Rs 9 crore. We have high-tech and high-precision tool rooms costing Rs 100-200 crore. But we don't require such rooms everywhere so we have tool rooms costing Rs 10-20 crore too.

We have schemes for Energy Efficiency Audit. In this sector, people are not aware of the importance of energy efficiency so we hold seminars, demonstrations, exhibi-

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LETTERS: The magazine is quite interesting. It is very well-edited and the printing is also good. The contents are very informative and I am sure it is finding a lot of favour with the concerned readership. However, its usage and reach has to

Continued on page 4

From the Editor-in-Chief

GOOD leadership consists of keeping calm and rising higher than human expectations during a time of crisis, whether economic, military, social, or political. And an important part of this is the ability to jettison traditional, stultified thinking and reach for out-of-the-box solutions. Prime Minister Manmohan Singh may have only a few months left in office before the next general election, but this is no reason he should not continue to assert forceful management in dealing with the problems that trouble the future of this Republic.

India has not yet felt the full impact of the world economic crisis. But the straws are blowing in the wind. Declining projected growth rate. Pressure on the rupee. A securities market cringing under the scorched earth policies of retreating foreign institutional investors. Reduced access to foreign capital markets. Investment slowdowns. Banks unwilling to lend to one another. Redemption pressures in debt markets. Layoffs and retrenchments. Airlines looking for bailouts. Not a pretty picture.

The Prime Minister and his team, no doubt, have taken some pre-emptive measures such as infusing more liquidity into the markets and stimulating bank lending by cutting back on the prime interest rate. His economic A-team, P Chidambaram and Montek Singh Ahluwalia, have made unusual appearances on TV preaching calm in order to quiet the market and promote investor confidence.

That's all very well. But the Indian economy is not just the markets or the commercial banks. A large, much larger, part are the tertiary and unorganized sectors, medium and small farmers, peasants, daily wage workers, clerks and so on to whom Montek and Chidambaram mean little or nothing but who will, nonetheless, be worst hit by a financial meltdown or severe recession in India.

Unfortunately, the Keynesian monetarist macro-economists sitting in Delhi and following the European or American bailout models are paying scant attention, in this scenario, to shoring up the grassroots economy and building in the necessary shock absorbers. They either don't know or have lost touch.

Fortunately, there is a huge reservoir of knowledgeable talent that the Prime Minister can tap in order to fill this yawning gap – the Indian civil services. I don't mean the IAS-*wallah*s in top secretarial positions in North and South Block, but rather the people out there in the districts and tehsils. There are few experts better equipped to deal with India's "other" grassroots economy than the officials who deal in micro-credit, grain procurement, land sales, rural banking and insurance, electric supplies, trading, hoarding, rural pension schemes, widows' benefits, land acquisitions, and so forth – the gamut of activities that concern the lives of hundreds of millions of Indians who are outside the pale of the main economy and yet contribute hugely to it through their labour and produce.

The Prime Minister should reach out to this pool of serving grassroots- and district-level bureaucrats and include them in a central Brains Trust to deal with the crisis, and ensure that solutions are not monopolized by Delhi-based eco-crats, and that the concerns of the "other" Indians are addressed along with those of banks and financial institutions. In addition, the Prime Minister should consider setting up of similar brains trusts at newly created zonal levels, that will cover all districts of the country, consisting of district officers, revenue officials, social forestry, and rural credit and marketing and welfare experts. This will ensure that solutions will be inclusive and promote the long-term economic well-being of the entire country rather than the short-term health of financial institutions.

Now is the time for all civil servants to come to the aid of their country.

INDERJIT BADHWAR

LETTERS

Continued from page 3

be limited intentionally.
Vijay Mehta, Chairman, Mefcom Group, New Delhi

I would like to know the profile of the author of the article on Jaswant Singh in the October 2008 issue. I would like to read other articles by the same writer.
Anonymous

SK Mishra's observations (October 2008) were fresh but the hard work he put in as a government servant needed more highlighting. His main contribution, at least for the public, is the restructuring of Haryana Tourism to make it a meaningful and profitable state venture.

Mishra says his father was Vice-Chancellor of Kanpur University. But, when he was sent by his father for postgraduate studies in Allahabad University, Kanpur University was not in existence. It came into existence only in 1964 or '65. The son's clout in the Congress via Bansi Lal must have helped in the elder Mishra's becoming V-C of Kanpur University, whose first office was in the palatial building owned by another IAS officer, Gyan Prakash, of the UP cadre.

He is also wrong about the names of Devi Lal's sons. Om Prakash Chautala, the eldest of Devi Lal's sons, has three brothers – Jagdish, Pratap Singh and Ranjit. The last two have been members of the Haryana Assembly. Jagdish is no more. Sahib Ram was the name of Devi Lal's elder brother. He had only one daughter and no son. His son-in-law was one of Devi Lal's hangers-on.

I do not know how your political editor missed such glaring mistakes in an otherwise eminently readable article. More such memoirs of bureaucrats would be welcome.
Anil Maheshwari, Shimla

BIG BOSS

'There is awareness about khadi. I feel there is a change, visit our khadi showrooms and see the rush of customers'

Continued from page 2

tions and so on.

gfiles: *But what about marketing?*

DR: We have two to three initiatives. NSIC (National Small Industry Corporation) is one such initiative which takes big orders and passes them down to small units who are not able to fetch such orders through the info diaries service. Units registered with NSIC also get all tender information. We send entrepreneurs for exhibitions in India and abroad. We subsidize air fare and transportation funds. We provide earnest money for tenders so that their money is not blocked.

gfiles: *So now your role seems to be one of facilitator rather than controller?*

DR: We are now acting as facilitator and also troubleshooter for the industry. The MSME Act of 2006, which is a landmark Act, defines our role. Sometimes the bigger units are not paying the dues against goods supplies, so we play a role as facilitator. We have set up one facilitation centre in every state to help such suppliers. Previously, registration was a big problem. Now we have made it optional and it will become online soon.

gfiles: *Actually, small-scale industries are all in the state domain. Where do you figure?*

DR: Both state and Centre have to play their roles. Land belongs to the state but we create a positive environment through our policy and programmes. Under PMEGP, we have provided Rs 4,700 crore to states through banks. We operate all schemes through banks. I have also asked the states to strengthen their District Industry Centres. It is not a question of only providing raw material, we need to have jobs, data bank and project profiles. Again our role is not of regulator or controller but facilitator.

gfiles: *So now no quota, no permit, no control. Do states still come to you?*

DR: They come to us because we have so many programmes. It is also in their interest that their industries develop and prosper. This provides them the maximum number of stable jobs after agriculture. In MSME, a new job is created within Rs 70,000-1 lakh whereas in the bigger sector, the capital investment is almost seven times more.

We intervene in two ways – soft intervention and hard intervention. The former provides training and the latter common facility centres where, for example, scrap can be melted. In Anantnag, cricket bats are manufactured because of good quality

FOTOS4INDIA

'After agriculture, small-scale industry provides maximum employment with inclusive growth and binds the social fabric of rural India'

wood available there. We did a study and found that they were not using seasoned wood. So we are setting up a seasoning plant to cater to the entire cluster. The cluster approach is very important because you can take care of 500 and 1,000 families and more industries.

gfiles: *You mean the focus of the government is again shifting from heavy to small-scale industries?*

DR: I will put it another way. The government recognizes the importance of this sector as it creates the maximum number of jobs. In more developed countries, this sector is most important in terms of providing employment.

gfiles: *How are you going to compete with China under the WTO regime?*

DR: Chinese imports are not everywhere. Indian manufacturers are trying to orient themselves on getting competitive. Look at this stapler....

gfiles: *It is all China....*

DR: No, it is all Indian. India has beaten even Korea. Previously, it was imported. Now India has captured the world market. Take this pen; again India has captured the world market. Chinese products are there but they are not able to beat Indian manufacturers.

gfiles: *I was talking about WTO....*

DR: WTO is there for China also but we have our own programmes. The advantage is that we have a large market among ourselves. About 60-65 per cent of our production is consumed locally. Our export to total production ratio is not very high. Singapore is badly affected as their local consumption is less. You are right in that we have to be competitive. We have appointed a commission, the National Commission on Competitiveness, for this. Keeping in mind the competition, we are focusing on clusters like khadi, honey, automobiles, leather and so on and creating next-generation clusters. We have our programmes and policies to be competitive in the global market.

gfiles: *What scope is there when you have only 21 reserved items?*

DR: As per the Eleventh Plan document, worldwide MSMEs have been recognized as engines of economic growth. As per the Plan, the endeavour would be to recognize the heterogeneity of the MSME sector and at the same time remove artificial distinctions within the sector to ensure that the unorganized, home-based industries such as handlooms and food processing are able to avail of the benefits and schemes launched for the industry in general and MSME in particular.

gfiles: *What is the broader scope of MSME in the changing circumstances?*

DR: I must tell you that this sector is very important from India's point of view. We have a large population and large resources. That is why Prime Minister Manmohan Singh launched the Skill Development Initiative because India has a very young population. This sector creates the maximum number of jobs with less investment. You can choose your industry wherever you are, based on local resources.

gfiles: *What is your target of employment for 2020?*

DR: Our projection for 2011-12 is to provide employment to approximately 4 crore people. The Prime Minister said on MSME Day, "In our National Action for Skill Development, we would like to set for the country the ambitious goal of 500 million trained people by 2020 in keeping with Smt Sonia Gandhi's vision of *Rozgar Badhao*." So this is our target.

gfiles: *How much are you going to invest?*

DR: We have different programmes. In this PMEG programme, investment will be Rs 15,000 crore and the remaining money will come as loan.

gfiles: *Why is Khadi Village Industries not earning a profit, whereas anyone selling khadi earns a profit?*

DR: Their intention is not to make too much money. There are fixed criteria regarding how much price they have to charge. True, they have not expanded as one would have wished. They had some problems of credit. Now we have got a study done through PricewaterhouseCoopers.

gfiles: *What does it say?*

DR: We have discussed the study with the Asian Development Bank. They have sanctioned a $150-million loan to the Government of India. This money has come to take care of the various structural problems. So it is tied with reforms also. First, we will take up 300 institutions of khadi. Lately there has been achievement; we have product development schemes where we engage young designers. This is the right time. There is awareness about khadi. I feel there is a change, visit our khadi showrooms and see the rush of customers. We are in a process of introspection and reorientation and khadi will come up as a vital instrument of economic strength for rural India. g

Baalu's nocturnal ways
minister makes babus wring hands

THE DMK Ministers in the UPA government have been exploiting the compulsions of a coalition government in their own ways but Minister of Road Transport and Highways TR Baalu is in a league of his own. He arrives at his Ministry only after 5 pm and leaves only after 9 pm.

This results in a long, unproductive day for the babus of the Ministry. And his absence during the day is no compensation. They have been resorting to all kinds of tactics, including crying wolf, to make the Minister rush to office in the daytime, but to no avail.

Senior officers of the Ministry, who sit idle throughout the day, are forced to stay much beyond working hours. However, they have little choice. Baalu has already taken a toll of three competent Secretaries in the short span of a year. So the officers are reduced to biting their lips and stoically accepting the professional hazard that comes with the territory – coalition politics!

Rahul's earthy lieutenants
the son-of-the-soil fad

RAHUL Gandhi's trusted team of personal assistants consists of Sachin Rao, Meenakshi Natarajan and Kanishka Singh. While Rao and Natarajan have consolidated their positions by design, Singh – son of a Governor – has going for him the fact that he was Rahul's classmate. Indeed, Singh is to Rahul what Satish Sharma was to Rajiv Gandhi. Though Rahul is General Secretary of the Congress, he has chosen not to depend on the party for secretariat assistance. His ongoing rediscovery of the India that is Bharat by eating and sleeping with Dalits and tribals, joining the labour class engaged in employment schemes and undertaking *padayatras* has provided a clue to staff members Rao and Natarajan as to how to impress him – by displaying an affinity with grassroots workers. So Rao, who draws a handsome salary, comes to the office riding a bicycle while Natarajan uses public transport and wears chappals. Ahem!

Pranab's 25-minute US visit
minister signs n-deal

DESPITE the public euphoria over the 123 Agreement with the US, and the great personal bonhomie between President George Bush and Prime Minister Manmohan Singh, relations between the US and Indian establishments are not as cordial as publicly claimed. The main reason is alleged US insincerity as manifested in its clarifications to Congress about some aspects of the Agreement. This has dented many of the Prime Minister's assertions in Parliament.

So, when Condoleezza Rice wanted to sign the Agreement in Delhi following its passage by Congress, the MEA politely turned down the request – citing the fact that the legal process was not yet complete as President Bush had not signed the Agreement into law. This infuriated Rice, who had personally staked much on the successful completion of the Agreement. An icy rejoinder came from her, saying there was perhaps really no need for a

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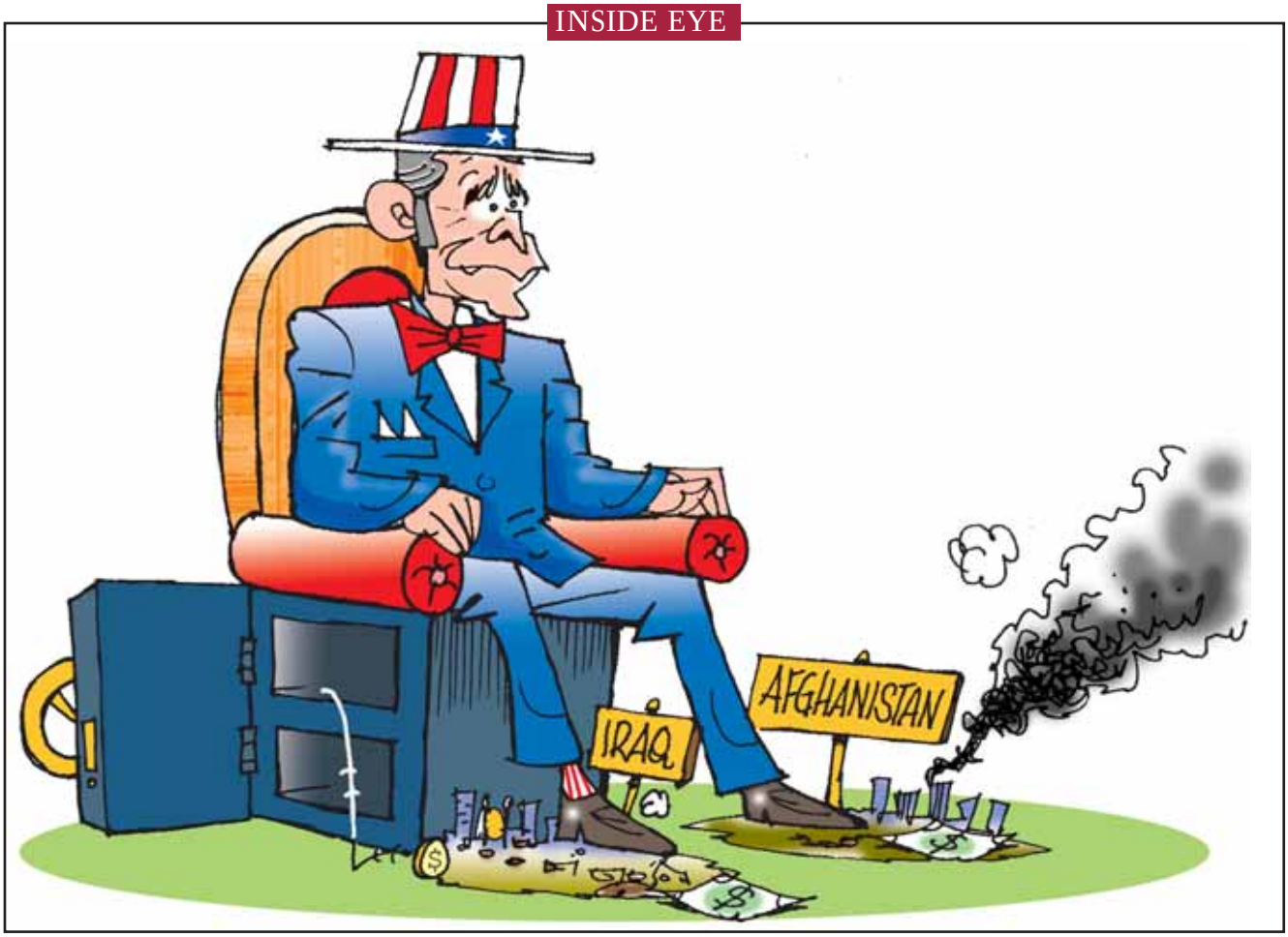


formal signing ceremony as it could be done electronically.

This made External Affairs Minister Pranab Mukherjee realize that it would make him appear to be against the Agreement. So, when President Bush did sign the Agreement into law, Mukherjee promptly flew to Washington for the signing ceremony. It took barely 25 minutes and then he was back on a flight to India. All that flying half-way across the globe for a mere 25 minutes of ceremony!

Conduit to Badal's heart

canadian mp in demand

WHEN Manpreet Singh Badal, nephew of Punjab Chief Minister Parkash Singh Badal, secured the key portfolio of Finance, it triggered no visible resentment among Akali veterans. But, when, at the Punjabi NRI Sammelan convened by the Akali government in Chandigarh this January, the younger Badal was seen spending most of his time with Ruby Dhalla, a flamboyant Member of Parliament from Brampton Springdale, Canada, it led to considerable envy. So much so that the tender friendship became the talk of the meet.

The Finance Minister apparently accorded her the treatment of a state guest to win her friendship. Once the Sammelan was over, the vigilant powerbrokers immediately jettisoned their old connections and flocked to Dhalla as the most effective conduit to the Punjab Secretariat. Badal, it is said, cannot afford to ignore Dhalla's recommendations for he is eagerly waiting to meet her again at the next Punjabi NRI Sammelan. g

BASHING THE CHI

The steadily declining image of the once e

by Tara Patkar

PK Doraiswamy, former Special Chief Secretary, Andhra Pradesh, once remarked: "The IAS is our premier civil service conceived in hope and brought forth in liberty. It is a sad reflection on today's Chief Ministers that, even after more than 50 years of its existence, many of them still expect the IAS to stand for nothing more than "I Agree, Sir."

In the last two decades, at least in Uttar Pradesh, following the exit of the Congress from the political scene, the bureaucracy has undergone a sea change. The steadily declining image of the once exalted office of the Chief Secretary lies in tatters.

The slide began with the arrival of Mulayam Singh Yadav at centrestage. Mulayam rose to become the Chief Minister of India's most populous state in December 1989, when elections to Parliament and the Assembly were held simultaneously. The then Janata Dal, supported from outside by the BJP, crushed the Congress, which won only 15 Lok Sabha seats. Its tally in the Assembly was reduced to 92.

The first thing Mulayam did as CM was to shunt out Chief Secretary Bhraspati Sharma, brought in by ND Tiwari, and replace him with RK Bhargav who later rose to become Secretary of the Ministry of Information and Broadcasting.

The transformation in the status of the Chief Secretary was immediate and palpable. He was reduced to playing day officer to the Chief Minister. Bhargav was seen flanking the Chief Minister during press conferences and *iftaar* parties, as well as minor functions and meetings held at his official residence.

Mulayam was voted out of office in June 1991 and the BJP, riding the crest of the Ram wave, captured power in UP on its own. Kalyan Singh became the Chief Minister. TSR Subramanium, the then agriculture production Commissioner in UP, was elevated as the Chief Secretary. The bureaucrat from Karnataka later rose to become the Cabinet Secretary of India in 1996 during the United Front government of HD Deve Gowda.

TSR, as he was popularly called, was also a confidant of Mulayam. He is known for the privatization of the UP State Cement Corporation, as well as Auto Tractors Limited, another PSU located at Pratapgarh, about 200 km from Lucknow. TSR was the chief implementer of Mulayam's policy of privatizing or closing PSUs with accumulated losses of Rs 10 crore or more.

When Mulayam became Chief Minister again in 1993, Brijendra Sahay was his choice as Chief Secretary. On June 2, 1995 after the infamous state guest house incident, the coalition government of the Samajwadi Party and the Bahujan Samaj Party was dismissed by Governor Motilal Vora.

The then national general secretary of the BSP, Mayawati, cobbling support from the BJP, became the Chief Minister for the first time with the support of the BJP. Her first target was Sahay.

Bajpai became the first UP IAS officer to touch the feet of a Chief Minister – Mulayam Singh – in public

Nath and Mishra: Mayawati's victims

In an unprecedented move, she ordered Sahay's official residence forcibly vacated. His household articles and belongings were flung on the street by the staff of the estate department. Mayawati's revenge stemmed from her firm belief that the Chief Secretary had connived with Mulayam in preventing the police from reaching the state guest house on Meerabai Marg where, she alleged, Mulayam's men had made an attempt on her life.

Mata Prasad was chosen by Mayawati as the Chief Secretary. A diehard Ambedkarite and a Dalit, he remained in the post for over a year. When Kalyan Singh became Chief Minister in September 1997, Yogendra Narain moved from Delhi as the Chief Secretary. The soft-spoken and suave officer was able to maintain his personal dignity as well as that of the office. Bhola Nath Tewari succeeded him – the choice of a new BJP Chief Minister, Rajnath Singh.

The status and decorum of the office touched a new low during the third tenure of Mulayam starting in August 2003. Akhand Pratap Singh, identified as one of the most corrupt IAS officers in UP by the Action Group of the UP Cadre of IAS Officers, was elevated as the Chief Secretary. He was to retire on October 31, 2003. Mulayam ordered a six-month extension. This was challenged in the Supreme Court by a PIL. The Court, tak-

Photographs by Fotos4India

IIEF SECRETARY

e exalted office now lies in tatters

AP Singh and Neera Yadav: facing corruption charges

ing a dim view of Mulayam's decision, asked the government's counsel "whether Akhand Pratap Singh was the only person available for the job".

Embarrassed and cornered, Mulayam cancelled his decision and Akhand Pratap Singh resigned from service in December 2003. The CBI registered a case of disproportionate assets against him in March 2005 and he was later arrested from his Vasant Kunj farmhouse in South Delhi. The CBI also unearthed over 100 bank accounts with huge deposits in his name.

The next choice of Mulayam was Neera Yadav. She too had to go, as her appointment was challenged in the Supreme Court. She was also facing many graft-related cases, and had also been identified in the UP IAS Cadre's hall of shame.

The esteem of the Chief Secretary's post was now speedily

Atul Gupta is considered to be the most harmless creature ever to have occupied the office

Mayawati and Mulayam: responsible for the slide

deteriorating. Mulayam's next choice was a low-key IAS officer, R Ramni, a Tamil Brahmin. He was a stop gap arrangement and after two months was replaced by Naveen Chandra Bajpai, also a Brahmin. Bajpai earned himself a rare distinction: he became the first UP IAS officer to touch the feet of a Chief Minister – Mulayam Singh – in public.

Bajpai has another first to his credit. He went to the state office of the Samajwadi Party and described Akhilesh Yadav, MP and son of Mulayam Singh, as the hope of the nation and praised the various steps taken by the Samajwadi Party government during its three-year tenure in UP. This open display of obsequious partisanship provoked the Election Commission to order his removal in March 2007 just before the Assembly polls were held. He was replaced by Shambhu Nath.

Mayawati took over as Chief Minister for the fourth time on May 13, 2007. Shambhu Nath was promptly replaced by PK Mishra — honest, upright, and a stickler for rules. Earlier he was in the Union Ministry of Parliamentary Affairs on deputation. But these traits soon became a burden for him. In order to create a more pliable bureaucracy, Mayawati appointed Shashank Shekhar Singh over Mishra, as the first Cabinet Secretary of the state with special rank as Cabinet Minister. In an attempt to circumvent Mishra, she also made Shashank the administrative head, a power that till then was enjoyed by the Chief Secretary.

This caused severe resentment in the bureaucracy. Though the IAS officers of the state did not protest against the move, a PIL was filed in the Supreme Court. The petitioners argued that the appointment was unconstitutional and violated the cadre rules. Subsequently, the state government again amended the Business Rules and restored the position of the Chief Secretary as the head of the administration. It, however, was only a cosmetic change and did not affect the administrative functioning. The Cabinet Secretary, Shashank Shekhar Singh, relinquished the special rank of Cabinet Minister but continued functioning as usual. He thereby emerged as the most powerful bureaucrat.

Mishra, in addition to being handicapped through political fiat in carrying out his constitutional role, was also publicly humiliated by the CM during Cabinet meetings. Disgusted over the behaviour of his Chief Minister, Mishra resigned.

Atul Gupta, the current incumbent, is considered to be the most harmless creature ever to have occupied the office. He is the first Chief Secretary of UP who has very little access to the Chief Minister. He meekly reports to Shashank Shekhar Singh.

In a curious new move, Mayawati promoted Vijay Shankar Pandey, a 1981-batch IAS officer, as additional Cabinet Secretary. All Principal Secretaries, notwithstanding their cadre seniority, are to report to him. Earlier they had reported to Shashank Shekhar Singh. It was the consensus in bureaucratic circles that Shashank had been cut to size. But why Mayawati has not taken the step of having Shashank vacate the Cabinet Secretary's post remains a puzzle. What is a certainty, however, is that in the present state of affairs, the role of the Chief Secretary has been rendered redundant. g

HOPPING ON TO THE GRAVY TRAIN

Old bureaucats never die, they simply become experts

by Maj-Gen Mrinal Suman

THE most worrisome time in the career of a bureaucrat is just prior to his retirement. He dreads the loss of power, recognition and perks that he had got so used to during his long innings with the government. The worst is the fear of losing government accommodation in the capital. Fading away gracefully is not a trait that most bureaucrats can be accused of harbouring. They, by their very nature, are lingerers and hate the sight of an exit door.

Every retiring bureaucrat undertakes a highly systematic exercise regarding his future prospects. First, he explores the possibilities of obtaining extension of service in his current appointment. This is the most preferred option as it provides continuity and additional time to fix up things. In case that does not appear possible, he starts assessing his chances for post-retirement employment. Governorship is by far the most sought after appointment. All godfathers cultivated over decades of service are contacted and sounded. If the response is not too encouraging, the next option is to ascertain vacancies existing in UPSC, CEC, CAG and other such establishments. CIC has opened new vistas, both at the Central and state levels.

In case none of the above measures work, many functionaries initiate proposals for the constitution of monitoring/regulatory commissions to create suitable slots for themselves. As a final resort, the retiring bureaucrat "offers himself" for appointment on an expert committee, howsoever obscure it may be. At any given time there are numerous expert committees functioning under different ministries. It is often said that Indian governance is totally dependent on expert committees.

Expert committees serve three important purposes. First, constitution of an expert committee is a time-tested method of deferring decision-making and putting an inopportune subject in deep freeze. Therefore, the government finds it to be a

highly convenient expedient. Second, the serving functionaries obtain desired recommendations from a pliant expert committee and in case things go wrong later on, they shift the onus to the committee concerned. And, finally, expert committees provide employment opportunities for the well-connected.

To be eligible for appointment on an expert committee, an aspirant should have retired at Secretary-level. It helps as many erstwhile subordinates can be persuaded to recommend an aspirant's name for old time's sake. Most bureaucrats feel obliged to help out an unemployed senior, knowing fully well that they would also be on the other side of the fence in the near future.

It is essential that an aspirant is located in Delhi or NCR as frequent contacts and networking are essential. If located away from the centre of power, one may get forgotten. Most important, an aspirant has to convince and assure the environment that he carries no independent opinion and would submit recommendations as desired by the appointing authority.

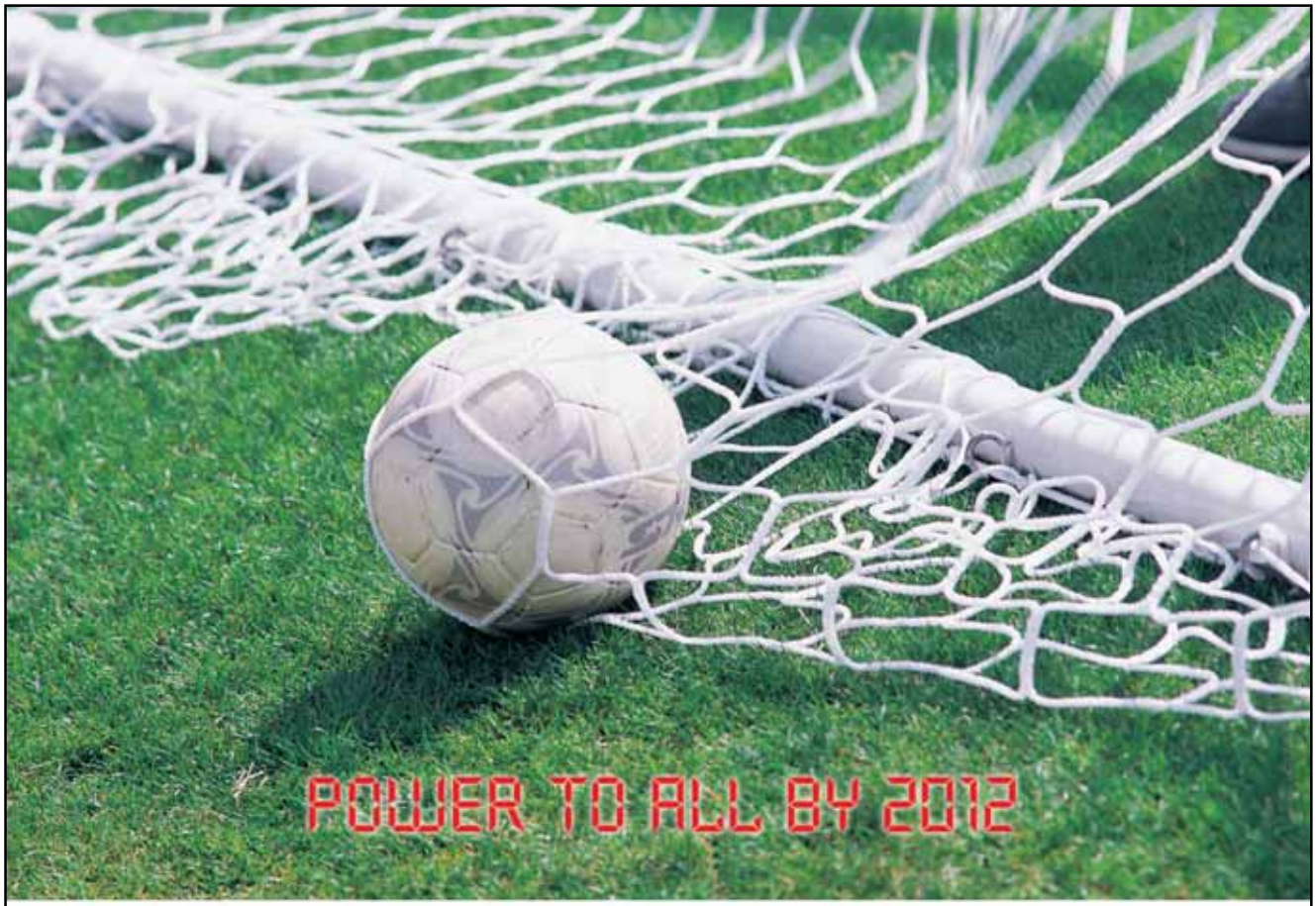
Every Ministry has a well-recognized pool of self-proclaimed experts. They always remain employed on one committee or the other and ensure that their employment on another committee is ready prior to completing the current assignment. In case of time lag, the tenure of the current committee is conveniently extended. Another ploy is for a committee to recommend constitution of another committee to look into a specific aspect of its recommendations. Naturally, experts of the first committee are considered ideally suited for the follow-up committee as well.

There are some whose influence spans across more than one Ministry as they feel competent to handle any subject under the sun. In some cases, they may be on more than one committee simultaneously. Committee members get office, staff, telephone, car and other perks along with honorarium. Many well-entrenched experts have permanent offices allotted to them. Only the name of the committee gets changed outside the office.

Committee members keep the appointing authority (generally the Secretary of the Ministry concerned) happy through periodic briefings. Proposed recommendations are shown and directions sought. At times even the Minister is kept in the loop. Committee recommendations are prepared as per the "guidance" provided by the appointing authority. Such an exercise is commonly called "tailoring a recommendation" or "situating an appreciation".

Some veterans with long experience of committees are sensitive about their public image and do not want to be seen toeing the official line. A convenient *via media* is found. In addition to all the recommendations sought by the functionaries, a few unrealistic but innovative-looking suggestions are also included. Such suggestions are only for academic purposes as even a layman would know their impracticality.

No proficiency is required to be a member of an expert committee as every committee is permitted to engage skilled persons to do the spade work. In any case, most committee reports are compilations of submissions made by different affected entities. Although they run into a number of volumes, they contain nothing new. However, voluminous reports serve two purposes – one, no functionary dares to try to read them and, second, they show hard work put in by the concerned committees. Needless to say, most reports are consigned to the proverbial shelves to gather dust. All recommendations remain unimplemented except the one suggesting constitution of another expert committee. The cycle goes on and employment continues. g



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Adwit

ALAS, POOR DD IS HISTORY ALREADY

Bureaucratic ineptitude, lack of professionalism have reduced this institution to a shadow of its past glory

by VINOD KAPOOR

AS Doordarshan (DD) celebrates its golden jubilee, it teeters between a well-defined agenda and questionable performance. The organization's history is exciting. It was wise to accept the importance of the visual medium as an effective mode for communication, knowledge and education in post-independence India. A modest beginning with limited hours of school transmission became a success. This expanded to include other genres of programming that held the nation in thrall for years.

DD inherited the vast talent resource of All India Radio (AIR), which boasted of being the largest airwave network in the world. The associations of great literary and media minds made these two institutions grow to commanding heights. AIR boasted of Sahir Ludhianvi, Khushwant Singh, and Mulk Raj Anand among others, along with the doyens of classical and popular music including Madan Mohan, Bismillah Khan, Hariprasad Chaurasia, OP Nayyar, Talat Mahmood, Roshan, DV Paluskar, Pandit Shiv Sharma. AIR became synonymous with culture, history, arts, quality productions of plays and concerts. It was also a unique platform for nurturing talent.

Who can forget those iconic news readers who created landmarks in language and diction? The melodramatic Melville De Mello, the baritone Devki Nandan Pandey, the erudite Tejeshwar Singh, the deep-thinking Surajit Sen, the literary Shiv Sagar Mishra, the cultured Lotika Ratnam, the serene Pratibha Puri, and a poetic Salma Sultan...they still resonate.

How many people know that during his early career struggle Anupam Kher worked for Delhi TV plays, or that Raj Babbar was an anchor for the weekly *Delhi Aas Paas*? Annu Kapoor and Himani Bhatt made their maiden appearance while studying at the National School for Drama in a small black-and-white 16mm film, *Badlu*.

DD helped nurture diverse careers: (clockwise) Neha Dhupia, Prannoy Roy, Hariprasad Chaurasia

DD was also a much sought after platform for budding media enthusiasts who have now clicked big in the corporate world. Ronnie Screwvala, owner of UTV, was an anchor for youth programmes at Bombay, Vinod Dua began with small Punjabi shows, and Raghav Bahl, boss of TV 18, anchored business shows. Prannoy Roy, who now runs the NDTV empire, began his TV career with *The World This Week*. The nation's wildly popular Aaj Tak – the jewel in the TV Today crown – began as a 10-minute news bulletin on DD-Metro at 10.20 pm.

The saga of Bollywood king Shahrukh Khan making his debut on a DD serial is well known. Other Bollywood limelighters like Manoj Bajpai worked in crowd scenes for CPC productions. Neha Dhupia, who anchored the physical fitness show on DD-Sports, went on to grab the limelight. Today's chartbusting Punjabi pop and sufi singers – the Wadali Brothers, Jaspinder Narula, Hansraj Hans – once vied for small openings on DD's weekly *Punjabi Darpan*.

That was Doordarshan! Actually, the success mantra was more than just the reach of the public service broadcaster. What mattered was the content it provided. No historian of Indian TV can afford to ignore, or fail to honour, the superior production values of shows like *Hum Log, Tamas, Khaandan, Yeh Jo Hai Zindagi*. And, surely, the DD historian will note with pride that the reigning queens of cinema, Hema Malini, Sharmila Tagore, Waheeda Rehman, continued to appear on DD serials even when at the height of their Bollywood fame.

The *Mahabharata* and *Ramayana* were not mere serials, as the current ones are termed. The portrayals were milestones in cultural history and made an indelible impact. So strong were the currents that people even in Pakistan made it a point to watch them regularly. No *fatwa* could stop them there! It is significant that digital remakes of these serials with new actors and accompanying advertizing blitzes have failed to enthuse viewers with the same intensity as the earlier DD versions. The knowledge of literature, culture, history and television amongst the management of DD were the ingredients that created these spectacular success stories.

Alas, that's all history now. The once vibrant and thriving media giant is gasping for professional support, trained manpower and functional freedom which have been

The once vibrant and thriving media giant is gasping for professional support, trained manpower and functional freedom

taken away by a systematic intrusion of aliens and bureaucrats. In fact, the dwindling viewership graphs of AIR and Doordarshan have been caused by mishandling on every front by the untrained generalist administrators who saw in their appointments nothing more than a convenient posting. Unimaginative and inept handling are the causes for its nosedive.

THE most popular inside story – a comic demonstration of bureaucratic ineptitude – that still does the rounds is about a bureaucrat Director General (DG) who thought that a noon-time "feed" (transmission signal) was a mid-day meal scheme. The only bureaucrat to have got unadulterated respect from the professionals was Dr SY Qureshi, now Election Commissioner of India. His perspicacity, understanding of nuances, a thorough knowledge of social communications and, above all, an affable, transparent demeanour catapulted him to a new pedestal. His farewell was the largest that Mandi House (DD Headquarters) has ever seen.

DD management has been a classic case of square pegs in round holes. It is no longer a professional or technical body. With the continuous slide both in content generation and transmission quality, DD does not find a place anywhere in today's ratings or mindshare. A trend-setting channel like DD-Metro, earning crores in revenue with all major events including the *Filmfare*, *Screen*, Sansui awards, all fashion shows, live Miss India and Miss World pageants under its belt and the best of production houses like Balaji, UTV, BR Films, suddenly finds itself closed. Did anyone ask why that happened and who was behind it?

It was this lack of accountability that enabled the bureaucrats to (un)do things at their conceited fancies. A bureaucrat is trained to be the ultimate despite all his shortcomings. Maybe so. But the media is an altogether different kettle of fish. What better proof of this than the case of the 1964-batch Gujarat cadre officer who chucked up his career and joined the STAR TV network, taking with him some old DD hands. Bureaucratic arrogance did not work there. Rupert Murdoch wanted him to perform, which he could not. He was shown the door. A similar fate befell a former 1976-batch IAS officer who, after a brief stint at DD, tried out his talent at ESPN Sports.

The intricacies of conceptualization, studio production, usage of innovative hardware are all immensely technical which only a trained manager can handle. The series of postings of bureaucrats have ruined this basic structure of the organization. DD was recently excoriated for its insipid handling of the Beijing Olympics and later the Commonwealth Youth Games at Pune. Contrast this with DD's earlier live broadcasts of high-profile sporting events like the ASIAD in 1982 and cricket Reliance Cup.

Recently, a Member of Parliament, who is also Member of the Standing Committee of Parliament on IT, asked why DD had not produced someone like NDTV's Barkha Dutt. In answer to his own question, the honourable member should have studied his own 47th Committee Report that underlines the importance of programme professionals and the functional freedom they need to be given.

The reality is just the opposite. DGs are no longer professionals and so cannot be expected to lead a team of professionals. One DG was so gullible that he believed a technician who told him that there were indeed different sets of microphones for men and women!

In this scenario the role of the Chairman, Prasar Bharati Board assumes importance since he has to select the DGs of both AIR and Doordarshan. Any wrong or biased selection this time would be like another nail in the coffin of this media conglomerate.

The author is a TV consultant and filmmaker

The most popular inside story is of a bureaucrat Director General (DG) who thought a noon-time 'feed' (transmission signal) was a mid-day meal

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THE BASICS ARE FATALLY FLAWED

A self-defeating cycle of predictable responses helps terrorists score brownie points against the state

by Col R Hariharan

DESPITE confronting extremism and terrorism for over three decades, the government and the administration both at the Centre and states appear to be unable to tackle the problem. This lassitude appears to have spread to the preventive, investigative and operational aspects. The macabre story of terrorist bomb blasts that started in New Delhi in 2005 has continued with increasing frequency in Mumbai, Jaipur, Ahmedabad and again in Delhi during the years that followed. Many observers see clumsiness rather than organized follow-up action as the hallmarks of the administration's response to terrorism.

The national response after every major terror attack vividly shows all that is wrong with this "Indian" response. Usually it starts with immediate visual media coverage of the scene with the public and policemen milling around the blast site. Invariably, a serving or retired police officer is called upon to comment. A senior police officer cuts in to announce the suspected involvement of one of the *jehadi* terrorist groups in the blast. Police assessments are freely given even as half-baked information crawls on the news strip at the bottom of the TV screen. The Union Home Ministry, not to be left out, says a warning about the impending terror attack was given to the state authorities. The state government issues a prompt denial. Unfazed, the Home Ministry calls for an immediate meeting of either state Home Ministers or heads of police in Delhi to "improve the system".

The Union Home Minister or his junior partner now appear on TV to say the nation will not bow to terrorist elements and to assure "all assistance" to the state to combat terrorism. The state police triumphantly announces a series of arrests of suspected terrorists. If the body count due to the attack is large, the Prime Minister appeals to the nation to be calm and maintain communal harmony. Predictably, the Opposition and ruling parties at the Centre and states trade accusations and allegations of failure to rein in terrorists. Everyone derides the failure and incompetence of intelligence and security agencies and stresses the need to coordinate their work. A group of Ministers is formed to look into some perennial issues like revamping national security and intelligence agencies.

When the dust settles and the media focus shifts to the next non-event of a Bollywood scandal, the whole nation slips back into a comatose state. Central and state governments silently sigh with relief...until the next blast hits the headlines. This whole exercise in futility is heart-breaking for serious-minded civil servants and security services. The administration is seen as a pliable, helpless, and ineffective body. This makes it more difficult for them to motivate their teams. Glorification of the terrorist in the public mind is a more dangerous consequence. As the terrorist gains a larger than life image, witnesses are unnerved, thereby stalling progress in the case. This self-defeating cycle has resulted in separatists and terrorists scoring brownie points in their "war" against the state.

Though one can fault the Gujarat administration on several issues, it has shown foresight and planning on tackling terrorism. This enabled the police to quickly take follow-up action not only in investigating the Ahmedabad serial blasts of July 2008 but digging deep into terrorism's ramifications. The follow-up actions were at three levels: coordinating the stakeholders, intelligence and investigative agencies at the Centre and states connected with the whole series of blasts; correlating forensic findings; and coordinating a series of arrests of local activists connected with the case in a number of states.

Terrorism is operatively different from insurgency and other forms of extremism. It corrodes the relationship between the state and its citizens. The aim is to

This whole exercise in futility is heart-breaking for serious-minded civil servants and security services. The administration is seen as a pliable

SHARAD SAXENA

Delhi bombing: investigators need reorientation

destroy the security of the citizen and his trust in the government. Terrorism cannot be eliminated only by developmental economic tools or educating the public, though they reduce the relevancy of the terrorist cause to the people. The state has to deter, discourage, dismantle and defeat the terrorists in destabilizing the normal life of the people.

Terrorists are able to proactively operate because they have clarity on what they should do, how they should do it and who will do it for them. To effectively handle terrorism, the state has to match, if not surpass, the terrorists' clarity of purpose. Such clarity of what is required to be done, who will do it and how it will be done should percolate down to the lowest operational level.

My own experience in Sri Lanka as head of intelligence of the Indian Peace Keeping Force, which had a hazy mandate, taught me a few valuable lessons. A green field intelligence operation takes about 18 months to mature. But in the overseas turf of Sri Lanka, the timeframe had to be compressed to one year. On assignment, I prepared a task table identifying, as I saw, "things to do". There were 223 items from the mundane to the complex. The duration of each task varied from a few hours (to get a chair and a table for my use and rustle up a telephone!) to three years. This rationalization process enabled me to go ahead with some clarity on the what-who-how tasking. A few items were added as they appeared and the prioritization was juggled to fit in the demands of a changing operational environment.

Time is a valuable resource available to both terrorists and security administrators. Success comes to those who effectively use time as a resource. Real-time response to information can come only if data base management is planned well in advance. Modern information management systems provide this advantage to the administrator. Only, he has to get out of his conventional mindset to leverage such tools. Unforeseen bottlenecks, unclear responsibility, absence of essential competencies and external resources, and lack of problem-solving methodology are some of the time-wasters. Time-based management by objectives, monitoring of progress to reach milestones, and evolving dynamic standard operative procedures are some other methods that could help the administrator keep ahead of terrorists. A project management format could help in time management.

Everyone blames the politicians for undermining the rule of law and governance. This is true to a certain extent, though politicians always reinforce success because its fallout benefits them. Gujarat has shown how much can be achieved even within the existing scheme of things. Gujarat's organized approach has also benefited the unravelling of the Mujahideen's tentacles in many other states. So, in fighting terrorism, security administrators need to do first things first; that is, get organized. They need clarity of thought to evolve a what-who-how methodology. And that does not require any external inputs, but the will to win. **g**

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LEADER FIRST PUBLIC LAST

Fawning feudalism has engendered a culture of impunity within the ruling class with devastating consequences for good governance in the country

by Niranjan Desai

IN his first address as Prime Minister of India, Jawaharlal Nehru had declared that he was the first servant of the people of India. This was no rhetoric but informed by a true spirit of public service. Unfortunately, that spirit which guided the then political leadership of the country has vanished and public service today has come to mean for the majority of the ruling class the acquisition power for itself to enrich oneself, one's progeny and one's cronies.

During our diplomatic careers, my colleagues and myself, while demystifying India and explaining India's civilizational values to foreign audiences, invariably extolled India's synergetic ethos to assimilate all manner of views and systems and come out with something uniquely Indian. To wit, we always cited how successful grafting of western democratic values on to an ancient polity had created the world's largest functioning democracy. However, a close examination of this says the story is totally different.

What has been achieved in practice is reinforcement of feudal ethos with a democratic veneer. While it is true that a number of previously oppressed classes and communities have been empowered during the last 60 years of independence, democracy in the truest sense is yet to bloom in this ancient land. For real democracy is about the conditions that make it possible for ordinary people to better their lives by becoming political beings and by making power responsive to their hopes and needs.

The system that has evolved in India over the last 60 years has spawned a political class which promotes the narrow parochial interests of smaller groups and, in the process, corners all the benefits for itself accruing from this empowerment without really benefiting the groups whose interest they ostensibly seek to promote. The entrenchment of this kind of political class has reinforced and enlarged the feudal structure that has always been at the heart of this polity and which was encouraged by the British to serve its own imperial interests.

Thus today in India most political parties, with few exceptions, are basically grouped around a powerful individual or family. In contrast, in China, a totalitarian one-party state, the Chinese Communist Party is so organized that it enables able and competent individuals with leadership qualities to rise to the top without crutches of family loyalties.

It is this kind of culture which prompts the Home Minister of this country to declare publicly that he would continue to remain in his post because "my leader has faith in me", never mind the abject failure of his Ministry to provide security to the citizens of the country from repeated terrorist attacks. Time was when Lal Bahadur Shastri took responsibility for a railway accident and resigned his Ministry! There is no more any accountability to the public and/or the mythical *aam aadmi* by whose name every politician swears. Without accountability, there is no governance.

West Bengal will rue losing the Nano project

This morally debilitating culture where the politicians believe they are only accountable to the leader or only to themselves spawns a kind of insensitivity to public concerns bordering on arrogance. Sometime back, when asked about the situation regarding suicide of farmers in his state, the Chief Minister of Maharashtra, patronizingly responded that those concerned should be thankful that the state government had not taken any action against them for committing suicide which was against the law. How the dead can be prosecuted for any crime eluded this worthy.

Another instance of impunity is the agitation against the Nano car project led by Mamata Banerjee, who Ratan Tata publicly described as "bad M". The relocation of the car project away from West Bengal will cost the people of the state dearly in years to come not only in terms of lost employment opportunities but in terms of shattered business confidence which will deter future investment in the state. Who is accountable for this loss due to Mamata Banerjee's irrational mulishness, allegedly encouraged surreptitiously and cynically by the Congress?

The sharp visceral reaction from people across the country to the Delhi Chief Minister's tactless remarks about the murder of journalist Soumya Viswanathan is an indication that there is a rage building within the general public against all politicians whose conduct smacks of arrogance and inconsiderateness to public concerns.

The fallout of the Jamia Nagar police action against terrorists has exhibited the culture of impunity in its most naked and amoral form. For the sake of a few votes, some of the elements within the ruling UPA coalition, including the Congress party with more than supporting role from its ally, the Samajwadi Party, has by implication cast doubts on the course of action taken by their own government and even impugned the heroic sacrifice of a brave policeman in the line of duty.

By demanding a judicial probe against

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GOVERNANCE

bg deshmukh

their own Home Minister's action, these elements stand exposed for being cavalier and cynical about national security which to them comes second to the milking of their vote banks. Little do they realize that their demand for a judicial probe will seriously demoralize the security forces who are valiantly tackling relentless and incessant terrorism against citizens of this country. One may well ask Amar Singh why he surrounds himself with a posse of commandos when on the other hand he casts doubts on the integrity of their colleagues in the Delhi Police.

The blackmail that the Tamil Nadu politicians are practising on the Central government with outrageous demands for action against another sovereign and fellow SAARC country, Sri Lanka, in order to save the most lethal terrorist organization in this part of the world, the LTTE, is another consequence of the unchecked culture of impunity that has taken hold of

The fallout of the Jamia Nagar police action against terrorists has exhibited the culture of impunity in its most naked and amoral form

this country. The LTTE, by all accounts, has damned itself as a terrorist outfit and is recognized as such by the Government of India for the brutal assassination of former Prime Minister Rajiv Gandhi. Despite ethnic sensitivities, there can be no compromise with international terrorism. Little do the Tamil politicians realize that they are in a way echoing Pakistan's arguments vis-a-vis Jammu & Kashmir. And if they do, then they stand guilty of the worst kind of chauvinism to the detriment of India's national security.

Fortunately, that time of the political cycle when each Indian can exercise his right to vote is near now. All these cardboard characters, which lorded over us with impunity over the last five years or so, have earned a well-deserved long spell in the political wilderness and it is our patriotic duty to ensure that they get it. g

Fotos4India

The messianic zeal of a government official brings a water body back to life

WELCOME BACK, SIBERIAN FEATHERED FRIENDS

Sharma at Nawabganj lake: rebirth

MILESTONE

conservation | eva sharma

by Tara Patkar

EVA Sharma, a 1989-batch Indian Forest Service officer of the Uttar Pradesh cadre, did ordinary work with extraordinary enthusiasm. Her unflagging efforts have given new life to the deserted wetland of the Nawabganj bird sanctuary which is situated in Unnao district. It is associated with Lakshman, brother of Lord Ram, who is said to have stayed there and named the water body Kulloo Van.

The lake, because of neglect, had been dying. But now its lost glory is returning and Siberian migratory birds again have chosen this aquatic haven for their life as the winter season approaches. This year's bountiful monsoon has played its part in helping the Nawabganj bird sanctuary. But no factor was as great in resuscitating it as the endeavours of Sharma, the Conservator of Forests, Endangered Species Division, during the past year.

After taking charge of this usually spurned post, she began the ground work to revive this hapless bird sanctuary. She approached all concerned authorities, from the District Magistrate of Unnao to the Principal Secretary, Forest and Rural Development, for help and begged for support of local public representatives and farmers. She organized seminars, meetings and inter-school competitions to raise awareness about the importance of wetlands for the ecosystem and food chain.

Her messianic zeal brought rewards. Promoting healthy aquatic undergrowth has created abundant food supplies for birds. For the tourists there are better civic amenities – a beautiful nature trail, seating arrangements, watch towers. Tourists who enjoy their soujourn here become a committed lobby of conservationists.

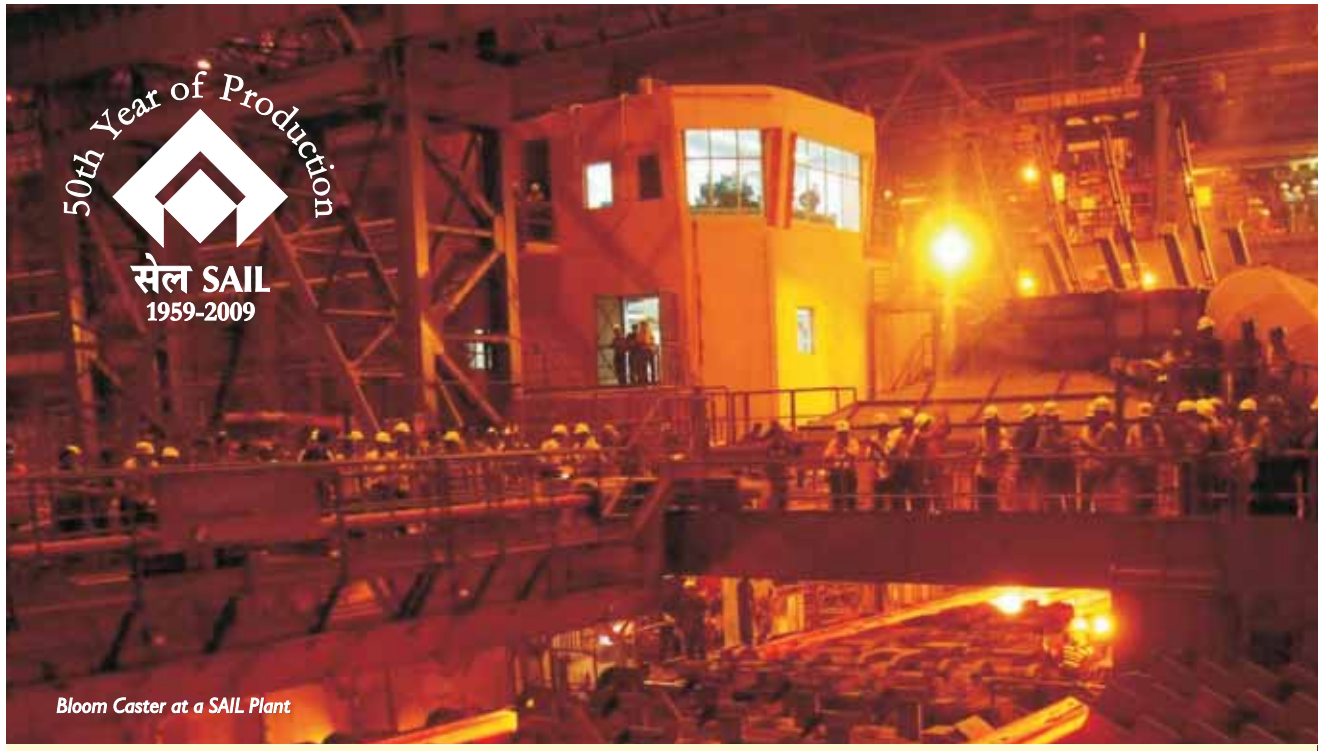
The feathered Siberian friends have started to come. Says Sharma: "The depleting water source had struck the wetland ecosystem hard which has not seen any winged visitor in the last many years. However, when I talked to DM Unnao Raj Shekhar and apprised him of the nature of the problem, he responded positively and promised to give his best help."

Immediately, Rs 5 lakh was released for repair of the catchment area that stores water. It has also been dredged and cleaned to ensure sufficient water. The sanctuary has now been recommended for the international Ramsar status (1971 consensus to preserve wetlands) and plans are afoot to not only restore its glory but also beautify it.

The Nawabganj bird sanctuary is situated near the Lucknow-Kanpur national highway and once sprawled over an 80,000-hectare water-fed area. But now it has shrunk to a mere 12 to 14 hectares.

In December 2005, about 90,000 birds, including both local and migratory, had come here but the number plummeted to 5,000 in December 2006 and then to about 2000 in December 2007. The fast depleting water base spelt doom for the sanctuary and reduced it to an ailing ecosystem.

The sanctuary is canal-fed. The water body at the sanctuary is not very deep and therefore there is fast evaporation of water. It cannot do without a constant back-up source of water. Adds Sharma: "Things had taken a turn for the worse in the past two years since the condition of the canal had also deteriorated. Besides, farmers in areas around the sanctuary have always protested against diverting water to the wetland. Improper storage was the main reason behind the shortage of water and the irrigation department has now rectified it." g



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PA RAJ A

A worm's-eye view of patronage, graft, intrigue, sycophancy, and empire-building within the hallowed portals of the Congress party

by Arun Lavania

Where Peter Found His Principle

RAJ Kumar Joshi, after studying till Class 8, decided in 1978 to make a living selling *paan* outside the Congress headquarters at Delhi's 24 Akbar Road. He moved up in life, first as a peon, a post to which he was appointed by former Congress General Secretary Rajendra Kumari Bajpai, and later as a clerk. During Rajiv Gandhi's days, Ahmed Patel, one of the former PM's most trusted lieutenants (and now a powerhouse in Sonia Gandhi's inner circle) transferred him to the administrative department. For reasons best known to Patel, he first dismissed and later re-hired Joshi.

Arjun Kushwaha, another peon in the office, was promoted as Private Assistant (PA) to another former General Secretary, Mahabir Prasad. After Prasad became Minister of Micro, Small and Medium Enterprises, Kushwaha accompanied him – as PA – to the Ministry. A subsequent CBI raid on Kushwaha's house unearthed Rs 50 lakh. He landed in jail, but found his way back to the party office after having cooled his heels for a while. He now shares Room 26 with Joshi.

Sources at AICC whisper that he was reinstated after his release from jail only after he threatened to blow the whistle on dubious goings-on in the administration and the accounts department of the party office. It is reported that he has – like a handful of other employees – employed his own private assistant for personal business matters.

Jayant Mukherjee, another PA, was sacked by Tourism Minister Ambika Soni from her Ministry for his suspicious dealings. He, too, landed up serving at the party office. His post-sacking designation? PA to General Secretary Mohsina Kidwai.

The operator of this Peon-to-PA merry-go-round is the low-key Neeraj Sharma who has worked as PA to powerful former General Secretaries Ghulam Nabi Azad and Sushil Kumar Shinde. He now serves General Secretary Ashok Gehlot. This super-PA operates stealthily but lets those who matter know of his personal equations with Union Ministers.

The current Administrative Officer, SM Moin, joined as an auditor and endeared himself to the late party treasurer, Sitaram Kesri, Ahmed Patel, and former Chief Minister and Governor Motilal Vora (now party treasurer and head of administration). Moin has his own coterie: Office Superintendent and Chief Accountant Rajesh Sharma, and the Joint Office Superintendent Adityender Sharma. Ahmed Patel saw to it that Rajesh Sharma was promoted to B grade from D. Moin rules with an iron hand. Those submitting to his authority can work with impunity, not only hiring PAs to serve PAs but also running NGOs from within the protected walls of the headquarters of the country's Grand Old Party. Moin's writ runs large: The air ticketing of AICC office-bearers, for example, is done through Pacific Travels, run by a man known to be a close associate.

Photographs by SHARAD SAXENA

Vora with Fernandes: boss of the bandwagon

Come All Ye Faithful

NUMBER Twenty-four Akbar Road is truly a melting pot of people of every conceivable hue, dimension, and calling. Those who have found the real world a little difficult to excel in find competitive asylum here: brokers, manipulators, "ambulance chasers" or lawyers who fatten on accidents, teachers, journalists, singers, artists, actors, astrologers, businessmen, retired defence personnel, and the men off the grid and under the cloud. The more the merrier.

The organization of the Indian National Congress is cellular. It houses the All India Congress Committee (AICC) stuffed with 33 officebearers, dozens of departments and cells, four AICC sub-committees, four frontal organizations and Pradesh Congress Committees. But the real power vests with the Gandhi family that demands absolute and unswerving loyalty from Ministers, head-

A CBI raid on Kushwaha's house unearthed Rs 50 lakh. He landed in jail, but found his way back to the office

Moin has his own coterie: He rules with an iron hand. Those submitting to his authority can work with impunity

T 24 AKBAR ROAD

(From left) Moin: enforcing his writ; Neeraj Sharma: head honcho; Adityender: Moin's factotum; Joshi: paanwallah to PA; Mukherjee: sacked but serving

quarters officebearers and apparatchiks, as well as the multitude of grassroots party workers.

The fortune-seekers-turned-politicians' lifetime dream is to first breach the citadel of the party organization, get a foot in the door and then apply every trick in the book to penetrate the palace – barely a stone's throw away – that houses its President, Sonia Gandhi. Afterwards, the sky is the limit for feathering their nests.

Private security for the party office is now provided by Special Executive Protection (India) Ltd, owned by Gajendra Singh Jamwal, a former member of the Special Protection Group (SPG) that handled the security of Rajiv Gandhi and other VIPs like Sonia. His business is growing rapidly throughout Delhi. The AICC, according to sources, pays this group far more than the private agency it replaced. Peasants, party workers and visitors who flock to the office often complain about rude behaviour and sometimes crude manhandling at the main gate by the agency's overzealous guards who now also perform such chores as hoisting the party flag and closing and opening of all the rooms.

The employees' canteen has been outsourced to the Sagar Ratna Group. But insiders complain that even though prices have doubled there has been little or no improvement in sanitation or the quality of food. The AICC gives free tea and snack coupons to its employees and reimburses the amount to the canteen owner. Previously, these payments to the caterer were inordinately delayed with monthly bills of Rs 80,000 or more just piling up. But now that Sagar Ratna is in command – not without a little help from their friends within the organization – monthly bills of as much as Rs 3 lakh are paid promptly.

As one insider commented: "General Secretary Rahul Gandhi has a soft corner for NGOs. Someone ought to have suggested to him that engaging a Lijjat Papad-type woman NGO to run the canteen through micro-finance would have been more in keeping with the Congress's pro-poor vision."

Rates are fixed according to the service or information required. The higher the payment, the quicker the service

Enterprising Socialism

THE highest salary drawn by party employees rarely exceeds Rs 15,000. So it remains a mystery how the gaggle of AICC PAs are able to have cars, run businesses, own kiosks, and even operate real estate concerns. Blessed are the ones who make the grade of PA to a General Secretary. For he inherits the favours of state party leaders and other political operatives.

Each General Secretary has charge of the organizational matters of different states and frontal organizations. He also has the critical voice in the formation of various committees in the states and selection of candidates for Assembly and Parliamentary elections. State party leaders find it quite convenient to grease the palms of PAs for tracking the movement of files and keeping a tab on activities inside the office.

Rates are fixed according to the service or information required. The higher the payment, the quicker the service. Accurate information on who, particularly which rival, is meeting which General Secretary and when, the subject of discussions, and written complaints against party leaders, command the highest baksheesh.

The promise to include a name on various state Congress committees is another source of money. This happens when a committee has already been finalized but not declared officially. The preparation of recommendation letters for jobs, services, admissions, transfers, postings – for a General Secretary's signature –

is another ready source of income for the harried PA. Suffice it to add that even letting a party worker enter the room of a General Secretary is not charity.

AICC employees don't have any pension benefits. In 1997, the entire office went on strike for 28 days to demand increase in salary but to little avail. Now, whenever any such demand is raised, the party bosses muffle it by threats of dismissal of surplus employees. Earlier, Indira Gandhi, Rajiv Gandhi, and PV Narasimha Rao would find time to meet with ordinary staff workers and listen to their grievances. But, in the current dispensation, the Congress President is kept isolated from personal contact with the employees.

They Also Serve

VASANT Dada Patil and Shushil Kumar Shinde were the only General Secretaries in the entire history of the party to whom the AICC staff bid farewell. They related to low-level workers. Shinde was once scheduled to attend a wedding at a top business house. A Mercedes had come to pick him up at his residence but he preferred to ride in his official car. On the way, he recalled a similar invitation from the family of a Dalit AICC driver. Shinde made a detour and went, instead, to the Dalit's function.

At age 75, Ranoj Basu is considered a walking encyclopaedia of the Congress party. He is the Permanent Secretary of the AICC — a post conferred on him by Narasimha Rao in 1993 in honour of his knowledge and administrative acumen. The party still runs to him for advice and guidance on matters concerning organization, Parliament, discipline, and conventions. He shows the light. But the people running the show have made him ineffective.

Basu: a doyen ignored

Following his appointment, Basu convened a meeting of the accounts and administration departments and instructed that all files be routed through him. He wanted to ensure corruption-free functioning of the office. The apparatchiks ganged up against him and Rao was made to issue a fresh order equating his post with the Administrative Officer and Chief Accounts Officer. He was branded a Rao loyalist and "anti-Dynasty".

On the contrary, he was the only man in the AICC who advised the late Jitendra Prasada not to contest the presidential election of the party against Sonia Gandhi. He further warned him that any such move would send wrong signals and that he should meet her and withdraw from the contest. Prasada complained desperately that he was being prevented from meeting her. On one occasion, when Rahul Gandhi was taking a round of the party office after becoming General Secretary, the palace guards of the administration and accounts offices accompanying him made sure that he was kept away from Basu. In all probability, 10 Janpath does not know who Basu is.

Of Teachers, Majors and Heiresses

THE political side of the AICC is little different from the secretariat. General Secretary Janardan Dwivedi was a small-time fan of Dr Ram Manohar Lohia before he began to dabble in Congress politics. While teaching Hindi in an evening college of Delhi University, he started visiting the party office regularly.

(from left) Dalmia: heiress; Maj Prakash: slap changed his fate; Dwivedi: part of the furniture

Arjun Singh's proximity helped him enter Vichar Vibhag and then the Teachers Cell of the AICC.

After Rajiv Gandhi's assassination, he reportedly got the opportunity to teach Hindi to Sonia. Actually, Sonia spoke Hindi well even during the 1980s and needed only some working assistance. Dwivedi's political journey consisted of religiously running errands between 10 Janpath and the AICC office. In his home town of Banda, Uttar Pradesh, he cannot win even a municipal election, say party workers. The errand boy was finally rewarded with a berth in the Rajya Sabha and made General Secretary of the party organization. No longer the humble Hindi teacher, he is known now for his bumptious behaviour among colleagues and juniors. He praises the socialist-anarchist Lohia, but only when surrounded by trusted colleagues.

Archana Dalmia is an heiress from the business house of Dalmia. She took a fancy to politics after the defeat of the Congress in the 1989 elections and found it easy, being a Dalmia, to join the Grievances Cell of the party headed by former Union Minister Saroj Khaparde. On one occasion, some party workers came to meet Khaparde and addressed her as "Dalmia Ma'am". Furious, she replied: "I am a Dalit party worker and do not know any Tata, Birla or Dalmia. Many Dalmias might be coming here. I know none."

Another permanent fixture, Major Ved Prakash, embodies the miracle that can happen only in the Congress. A politically-connected brigadier from Rewari recommended his name for inclusion in the Ex-Servicemen Cell of the party. The major's claim to fame is that Janardan Dwivedi once physically slapped him in full view of the office staff because he was reportedly annoyed with his frequent visits to 10 Janpath. When the complaint reached Rajiv Gandhi, he sidelined Dwivedi and upgraded the major to Joint Secretary on compassionate grounds. A slap changed his fortune and since then he has been continuously occupying this office in AICC. He comes in at 9 am and leaves after everybody has left, regardless of holidays and work.

Tailpiece

ANOTHER retired Army officer, having managed entry into Akbar Road, struck a deal of Rs 10,000 with an employee of the party office and became an AICC member without contesting elections. The benefactor received only Rs 8,000 and is still chasing him for the remaining amount. g

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INDIA, ARE YOU LISTENING?

The crisis in the US is laden with valuable lessons for our regulators

by Akhilesh R Bhargava

A study conducted in the US last year led to shocking revelations. In the avowed land of free markets and capitalism, there was found to be a huge deficit of financial literacy among its people. Less than 10 per cent of Americans were found to understand the calculation of interest and even lesser understood the meaning of equity and dividend. Ironically, these financial illiterates were dabbling in the abstract world of financial derivations driven, not by calculated understanding, but by blind greed.

Hindsight now shows that even the Wall Street mavens and its brilliant quants had a poor grasp on derivatives and swaps, which crashlanded Wall Street into Walmart Street. A similar state of financial illiteracy was found in Britain, the nation of shopkeepers and traders and the modern-day pioneer of privatization. A dangerous cocktail of greed, poor regulation, profligacy, living beyond means and such illiteracy, meant that the downfall of Western markets was preordained.

While the US government is trying to painfully extricate itself from stinking, toxic debris, it is also seized of the fact that the downfall of its banks, markets and institutions was not because of ineffective and misdirected governance but also because the financial habits of Americans were inherently unsustainable. Frugality and thrift were taboo and spending was paradoxically patriotic.

The US is a nation where the real domestic savings have been negative, egged on by its innovative banks who got Americans addicted to unending credit in all aspects of their lives, in the form of easy credit cards, car loans, study loans, home loans, travel loans and so on. The American thus did not survive on his earnings and savings, but seemingly thrived on loans. For every irresponsible borrower, there is an irresponsible lender. Thus, while the American was constantly mired in unfathomable debt, so were its banks and institutions. Elliot Spitzer, the disgraced and exposed former Governor of New York, epitomized this rotten state of affairs — a tough regulatory exterior, with a bankrupt interior. The collapse was inevitable.

At the macro level, the likes of Ben Bernanke and Henry M Paulson, Jr, are sifting through the trash pile, generated over decades. To understand the implications of the catastrophe at the micro level, Newt Gingrich, former House Speaker, conducted a bipartisan survey of the mess. It found that both the greedy Wall Street men as well as homeowners who lived beyond their means had contributed to the mess. It also noted that a majority of Americans do not approve the use of taxpayers' funds to bail out banks, even if it meant losses for the stock market investors. In yet another study, the Pew Research Centre found that three-fourths of Americans agreed with the statement that the rich are getting richer and the poor are getting poorer in America and an alarming 43 per cent of those polled said that the US is a nation divided between the haves and the havenots.

Wisdom in life is all about learning from the mistakes of others. It must be understood that banks are custodians of public money and they must therefore be closely regulated and monitored, to ensure prudence, safety and conservatism in all their functions. This includes ensuring that banks do not borrow or lend recklessly. It is worth noting that while the prudent bor-

Prudent borrowing norms for banks, as set by the BIS Basle, are at ten times their net worth, the average borrowing of American banks that have now failed was about 30 times of net worth

Market panic and (above) Paulson: Too little too late?

rowing norms for banks, as set by the BIS Basle, are at ten times their net worth, the average borrowing of American banks that have now failed was about 30 times of net worth.

Incessant and unplanned expansion, funded by such mindless heavy debt, sank the banks. Once it is realized and accepted that banks are trustees of public money, they will be careful civil servants, bereft of the swagger and arrogance that Wall Street had come to symbolize. Pejorative financial engineering and illusionary innovation must be discouraged and rating agencies, which have been consistently found to be giving misleading ratings, with the truth hidden in fine print, must be stringently reined in. It is undisputedly necessary to nip a crisis in the bud, but regulators must not create a panic situation by overreacting. Such an overreaction in India has been plainly evident from the fact that though we do face a liquidity crisis, there have been few takers for funds released by the RBI, fearing the overblown ills of debt. A significant expansion of the government does little good in the long run and thus there needs to be a balanced reaction to the problem. The heavy-handed Sarbox Act, enacted by the US, in the wake of the gigantic corporate accounting scandals a few years ago, has proved to be counter-productive and not as effective.

At the individual level, savings must be encouraged and the safety of such savings must be guaranteed. Our domestic savings of over 30 per cent are a pride of our culture and must be maintained. It is a great lesson indeed — the rich spent and sank, while the poor saved and survived. Living beyond one's means must be shunned and those who have borrowed excessively and gone into a debt trap need to be given a softer means of deleveraging. NINJA (no income, no job, no assets) borrowers must be given jobs and not loans. Meritorious lending to the deprived sections of society must be pushed and loan *mela*s avoided, to maintain both strength and equity of banks.

The present credit tsunami, which has its origins in the troubled American waters, will do little damage to our shores. But India, with its rising consumerism, runs the risk of committing the same errors that the Americans did. Our new age banks have been enticing the young generation to spend and live beyond their means, the borrowers displaying similar levels of financial illiteracy as were found in the West.

Recognizing the need to educate the people, the former RBI Governor asked banks to open cells to educate and mentor borrowers. One such cell, which opened in Prabhadevi, a prosperous suburb of Mumbai, is mentoring over a thousand individuals steeped in debt which they cannot pay and needing a solution. It is not just the debt-laden farmers who commit suicide, even credit card debt-loaded borrowers do, as was found in the recent case of the suicide of a brother-sister duo in Mumbai, who had 78 credit cards between themselves and could no longer service the debt. Schadenfreude may be bad, but we need to learn from the American disaster and improve the financial literacy and prudence of our own lot too. g

The writer is a financial analyst

Our new age banks have been enticing the young generation to spend and live beyond their means, the borrowers displaying similar levels of financial illiteracy as were found in the West

bg deshmukh

GRASSROOTS

The former Cabinet Secretary—Bombay's first IAS recruit—relives some hilarious moments with farmers, Chief Ministers and Prime Ministers

I WAS born in March 1929 in Ahmednagar where my maternal grandfather was serving. My father was posted in Alibagh between 1928 and 1930 and my mother took part in the salt Satyagraha in 1930. Since I was a child, she had to take me with her and I was thus involved in the freedom fight from the tender age of two. After retirement my father moved to Pune (then Poona) in 1936 to live in our family house where I had most of my education until I joined the IAS in 1951.

I had taken the IAS exam while still doing MSc in zoology from Fergusson College. Before I was called by the interview board some of my relatives commented that I might be asked to take off my necktie and show that I really knew how to tie it. But nothing of this sort happened. I became the first person to get into the IAS through competitive examination from Bombay state and became a bit of a curiosity in the college as everyone wanted to know who I was.

But the rest of Poona ignored me as my family was not elite. I trained at Metcalfe House. We had the opportunity to call on the President of India, Rajendra Prasad. Prime Minister Jawaharlal Nehru was also present. During a question-and-answer session, I asked the President about the Constitutional implications of his not accepting the advice of the Prime Minister. Both of them looked at each other and the President said: "But I am always persuaded by the Prime Minister to agree with him."

As a magistrate I heard a very interesting case regarding public obstruction by a man who insisted on putting his coir-woven bed on the street. The head constable found the accused putting his coir-woven *khatia* on the street. The accused pleaded that he had kept his *khatia* in the sun as it was full of bugs. And for the first time I was taught the principle of mens rea by a fresh young lawyer, that it is not the action that is important but the intent behind it, and in this case there was no criminal intention. I acquitted the accused, but the police were not happy as they were given a certain quota for filing cases and getting convictions and I was not seen to be sympathetic to them.

As collector of the Dangs district of the erstwhile Bombay state, I had the first taste of how to handle a Minister's visit. He was accompanied by a retinue of political followers. After his two-day tour was over, his personal assistant requested me to send the bills to Bombay. As a new Collector, I sent a bill for the expenses incurred not only for the Minister and his personal staff but also for his entourage. The PA was surprised to get the fairly large bill as he must have thought that I would either not send the bill at all or at most send it only for the Minister and his personal staff and take care of the rest. The PA paid the bill but I was given an indirect hint on how to handle these matters in future.

But then why blame only politicians? The Commissioner of my division came to visit the Dangs and brought his cook with him. The *mamalatdar* looking after the arrangements gave rations and whatever else was asked for. The bill finally also included the price of the chicken given to the cook. The Commissioner protested that since he had wanted only chicken legs, why should he pay for the whole chicken? The *mamalatdar* tactfully changed the bill accordingly. Certain characteristics, it seems, are common to politicians and bureaucrats.

In July 1958, I moved on central deputation to the Ministry of Tourism as under-secretary. It was a complete change of life. All said and done, a District Collector's life is a comfortable one with a good house, an official car and the paraphernalia of servants and peons. The Collector's office has a large staff and he governs a large population. Compared to this, an under-secretary in the Central government secretariat is the junior-most officer and a small cog in the government machinery.

Later, I was selected for a one-year MA course in Development Economics at the Centre for Development Economics of Williams College in Massachusetts, USA. I returned to Bombay in July 1963 and joined as Deputy Secretary in the Finance Department and looked after rural development. Abasaheb Khedkar, the Rural Development Minister from Akola in Vidarbha, was a practical person and wanted things to be done at any cost. When an officer noted on a file that a certain thing could not be done as it would be against the Constitution, Khedkar wrote in Marathi: "This may be done notwithstanding anything contained in the Constitution."

Finance representatives face a hostile atmosphere at nearly all times because of the objections they raise. Some Ministers were thorough gentlemen and it was a pleasure to deal with them, especially those from Vidarbha. SK Wankhede, Speaker of the Assembly, had a great sense of humour which not only created a congenial atmosphere but also helped him deal with unpleasant situations. Once a lady member of the Assembly criticized a Minister and called him neuter. There was an immediate uproar in the House. Wankhede expunged it as being unparliamentary and also remarked: "Members should not make statements on hearsay unless they have personal knowledge of the contents of the statement." The House burst into laughter and the tension disappeared.

Vasantrao Naik is well known as the father of the employment guarantee scheme that many Chief Ministers and politicians adopted

I remember my stint as Secretary to Chief Minister Vasantrao Naik from 1972 till mid-1975 as some of my best years in service. I served an outstanding leader who gave me an insight on how to run an administration in a democratic state. Naik is well known as the father of the employment guarantee scheme that many Chief Ministers and politicians came to Maharashtra to study. Leftist parties in the state called him a *kulak*. His answer to this was simple and convincing. He wanted agriculture to prosper and India to become self-sufficient in food production. He never forgot the humiliation when, during the

MAN

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The Rajiv Years

Rajiv Gandhi was a newcomer in the government and did not know many senior civil servants. But he had firm ideas. He wanted a modern bureaucracy, which was efficient, performance-oriented and apolitical. One of his weaknesses was that he was impressed by presentations that contained modern gadgets, slides, graphs and terminology.

A simple gesture from him put me immediately at ease at the first Cabinet meeting I attended at 7 Race Course Road. I was sitting on his left when Buta Singh, Home Minister, came in and instinctively I started getting up to give him my place. Immediately, Rajiv asked me to sit down and said: "A Cabinet Secretary always sits next to the Prime Minister." His capacity to understand and pick up even complex matters was remarkable. It was a pleasure to hear him speak fluently on complicated subjects with the help of slips on which points were made. When a prepared speech was to be read out he went through the draft very carefully. I often saw him correcting words and sentences from a draft prepared by Mani Shankar Aiyar with his command of words and phrases.

Some senior officers noticed this side of him and tried to present to him what he wanted and thus got into his good books. But gradually he matured and mellowed in administration. He came to realize the difference between a good officer and a showy one. In the meantime he made some gaffes. The bureaucrats who came and remained near him due to sheer sycophancy could get away with anything. Mani Shankar Aiyar and TN Seshan were good examples.

Aiyar completely forgot that he was a civil servant in the Foreign Service and not a party worker and openly misused and manipulated the Information and Broadcasting Ministry to project and promote the image of Rajiv in a most partisan way. Once I heard him berating the Doordarshan authorities for not showing certain events and meetings of Rajiv. Though Aiyar liked to boast that the sole strategy of giving due importance to *panchayati raj* institutions in the Constitution was his idea, really speaking the proposal was given concrete shape by the Secretary of Rural Development, Vinod Pande. As an IAS officer, Pande had worked in the rural areas and in the state much longer than an IFS officer would ever be able to.

Like a district officer, I continued my habit of visiting local markets even as Cabinet Secretary to find out the prices and availability of essential commodities. Interestingly, at one of the Cabinet meetings, HKL Bhagat, Minister for Civil Supplies, argued eloquently that sugar was available in plenty at a certain price in the open market. I said sugar was not available anywhere except in one shop where the price was much higher than that stated by Bhagat. He was silent but the other Ministers were quite appreciative.

In early 1989, when I decided I would go back to Bombay when I retired in September that year, Rajiv called me and said: "I have decided to take you as Principal Secretary in the PMO." I was taken aback. He said: "Don't look so shell-shocked. It is not a bad job and I am sure you will enjoy it." Later, I also served as Principal Secretary to Prime Ministers VP Singh and Chandrashekhar.

On June 23, 1991, I returned to Bombay. This was the end of my active association with the government and politics in general and with those connected with Delhi in particular. And this was also the beginning of a new chapter in my life.

scarcity of the early 1970s, he had to literally beg the Central government for additional allocation of foodgrain. He can truly be described as the patron saint of Maharashtra's agricultural development.

The farmer's simplicity sometimes led to amusing incidents. Once, touring in the Amravati-Akola area, he found that the irrigation potential in that area was not being fully used by the farmers – in stark contrast to the conditions in western Maharashtra. We were holding meetings with farmers to encourage them to take to irrigation. One elderly farmer said: "Naik *sahib*, the water in the canal comes after electricity is generated in our dam. This means that you have taken out energy from the water. Now, how can this energy-less water give us good crops?" All of us laughed at his naiveté.

I ALSO served with another chief minister, SB Chavan. He treated me extremely well, and never let me feel that I had once served efficiently and loyally his predecessor who also happened to be his antagonist in politics. It was a pleasure to work with him because his style of working was more like that of a bureaucrat than a politician. He studied all the files and passed very clear orders. At Cabinet meetings Chavan expected the Minister concerned to explain and defend his proposal instead of looking to the Secretary of his department for help and guidance. He became known by a new name acquired by him – Headmaster.

As a fallout of Emergency, there was one curious incident. Piloo Mody, the Swatantra Party leader who had been detained under Emergency powers in Delhi, was brought to Bombay to visit his brother as there had been some serious accident in the family. He wanted to spend the night with him but his police escort was not in favour, apprehending that he might escape. He therefore asked to see the Chief Minister for special permission. At the Mantralaya I told the escorting officer not to be stupid as it was unthinkable that Piloo Mody, looking at his size, could run away even if he wanted to! I went to the CM's chamber and suggested that the request be granted and it was so done.

I joined as Municipal Commissioner of Bombay in August 1975 and the Union Home Ministry as Additional Secretary in May 1978 during the Janata Party regime. In August 1985 I returned to Delhi as Cabinet Secretary in Rajiv Gandhi's government. *(see box)* g

birthdays

IAS officers' birthdays | Nov 16-Dec 15, '08

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For the complete list, see www.indianbuzz.com

TRACKING

For a complete list of appointments & retirements, see www.indianbuzz.com

PULOCK CHATTERJI
The 1974-batch IAS officer of the Uttar Pradesh cadre has been appointed executive director of the World Bank for three years from February 1, 2009.

UMAKANT PAWAR
The 1991-batch IAS officer of the Uttarakhand cadre has become Transport Secretary in the state.

AK AMBASHT
The 1987-batch IFS officer of the Union Territory cadre is now Member-Secretary of the Delhi Pollution Control Board.

RAKESH SHARMA
The 1974-batch IRS officer has taken over as Member, Central Board of Excise and Customs.

ASHOK KUMAR PANDE
The 1973-batch IAS officer of the Rajasthan cadre has been appointed State Election Commissioner.

PRAMOD AGARWAL
The 1991-batch IAS officer of the Madhya Pradesh cadre has become Secretary, Sports Authority of India.

SANJAY SINGHAL
The 1993-batch IPS officer of the Uttar Pradesh cadre has joined the Indo-Tibetan Border Police as Deputy Inspector-General.

KAKARLA USHA
The 1994-batch IAS officer of the Tamil Nadu cadre is now Director of the Bangalore centre of National Institute of Fashion Technology.

SAROJINI THAKUR
The 1977-batch IAS officer of the Himachal Pradesh cadre is now Principal Secretary, Housing, Town & Country Planning in the state.

AJAY SEHGAL
The 1986-batch IFS officer of the Uttar Pradesh cadre is now Officer on Special Duty to the Minister of State for Finance.

VIJAY SHANKAR PANDEY
The 1979-batch IAS officer of the Uttar Pradesh cadre has been appointed Additional Cabinet Secretary of the state.

PANKAJ KUMAR SINGH
The 1994-batch IDAS officer has joined the Defence Ministry as Director.

ARUN KUMAR SINGH
The 1979-batch IFS officer has joined the Indian Embassy in Washington, DC as Deputy Chief of Mission.

AUSAF SAYEED
The 1989-batch IFS officer is now Joint Secretary, West Asia Division in the Ministry of External Affairs.

D VIJAYAN PILLAI
The 1995-batch CSS officer has become Director, Marine Products Export Development Authority.

DHANANJAY KUMAR
The 1993-batch IDAS officer is now Director (Finance) of the National Institute of Fashion Technology.

DILIP KUMAR SAMANTARAY
The 1982-batch IAS officer of the Madhya Pradesh cadre has become Chief Vigilance Officer of Indian Oil Corporation.

ANSHUMAN DEY
The 1996-batch IFS officer of the Tripura cadre is now Director in the Ministry of Small, Micro and Medium Enterprises.

BIPIN BIHARI
The 1985-batch IFS officer of the AGMUT cadre has been appointed Secretary, Delhi Jal Board.

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Moving On: ias and ips officers retiring in November 2008

KARNATAKA
RS Sujatha (1983)

MADHYA PRADESH
Devendra Si Rai (1987)

MAHARASHTRA
G Ramamurthi (1972)

PUNJAB
Vijay Kain (1974)
RS Sandhu (1982)

SIKKIM
Tashi Tobden (1974)
Girmee Goparma (1991)
Nari Tshering (1991)

WEST BENGAL
Ashim K Barman (1977)
Asoke Kumar Bala (1990)

UTTAR PRADESH
Harish C Gupta (1971)

ips

AGMUT
NS Randhawa (1985)

BIHAR
RP Singh (1984)

MADHYA PRADESH
RN Shrivastva (1993)

JAMMU & KASHMIR
Abdul S Lone (2000)
Gopal Sharma (1972)

RAJASTHAN
Umesh Joshi (1993)
GS Rajagopal (1971)
BR Gwala (1972)

UTTAR PRADESH
Syed Khalid Rizvi (1973)
Dinesh C Pandey (1986)
SS Maheswari (1987)
Akhilesh Mehrotra (1988)

WEST BENGAL
Anil Kumar (1975)

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SLOWDOWN YES, PANIC NO

IN a scenario where hope for the returns on money is fast replaced with hope for return of money, the investors appear disillusioned. They have been asking me questions such as how low the markets will go, will they retrace to levels they have fallen from, and is this the right time to buy and so on. Nobody can, for sure, say as to how low the markets will go, but it appears that we are not far away from the bottom. For the second question, the answer in a lighter vein is yes, they will soon be past 21000, provided all major indices of the world are combined together.

The last question has no simple answer and needs understanding of the present and future global scenario and how the Indian economy responds to it. There is no doubt the world economy is headed for recession which is bound to slow down the Indian economy too. The Asian Development Bank in its report on Outlook 2008 has recently downgraded India's GDP growth estimates to 8 per cent for 2008-09 and 7 per cent for 2009-10. However, some of the Indian agencies and experts have given lower estimates than this.

We may not see bank insolvencies but our large current account deficit is certainly cause for worry

But, to the extent that we have a large domestic economy, our exports being less US -centric and our banks being fairly insulated thanks to the conservative policies of RBI, we are likely to suffer less than many others. And it is also due to our regulators that we have been able to avoid the chances of any entity going bust. In a lighter vein, it is due to our regulators that we might have had black Mondays, Tuesdays, etc but never a black Saturday or Sunday.

We may not see bank insolvencies of the kind witnessed elsewhere, but our large current account deficit is certainly cause for worry. Massive sell-off by FIIs has taken a heavy toll of the rupee. Further outflows and falling share prices can put serious financial strain that will ultimately get reflected in corporate balance sheets.

Chidambaram: bolstering confidence

This year, so far FIIs had sold Indian stocks worth about 20 per cent of their net buying of $67 billion till date. If the sale of just 20 per cent can lead to an erosion of 50 per cent in Indian markets, what will happen if they sell further because each sale now will have larger impact? And they are selling not because of some serious problem with our economy, but because of the problems faced by them in their own countries. Domestic investors are selectively buying, but it is feared that if selling by FIIs does not stop even they may turn sellers due to increased redemption pressure caused by panic in the markets.

The present state of credit squeeze may create serious problems for Indian businesses having implications for employment, income, expenditure and ultimate contraction of demand. However, the impact may be limited due to limited exposure of the Indian population to stock markets. The regulatory efforts to address liquidity concerns carry the danger of inflationary pressures resurfacing.

The prices may have fallen steeply and one may be tempted to believe that stocks are available cheap. But valuations need to be looked at, keeping the future in mind which appears to be not too rosy. But those who look for the bottom are likely to miss it. Those who start buying selectively are most likely to reap rich rewards when the markets bounce back. And the bounce back after such events is always sharp, taking investors by surprise.

Investors can start with defensive sectors such as pharma and healthcare, FMCG, PSUs relating to utilities, defence and so on. Avoid cyclical industries for the time being.

Opto Circuits
(CMP Rs 140)

THE company is engaged in designing, developing, manufacturing and marketing of high margin medical electronics devices and medical monitoring products. The company operates in two segments, namely health and information technology. The group has operations in India, the US, Germany, Singapore and Dubai. Opto has created shareholder-value by focusing on inorganic growth by acquiring companies like Advanced Micronic Devices in 2001, Palco Labs and the thermometer division of HUL in '02, Mediaid in '03, EuroCor in '05, and recently Criticare Systems.

The company has produced excellent financial results showing 80 per cent rise in net profit in 2008 over 2007 while net sales increased by 86 per cent. It is one of the rare companies to have announced bonus and dividend for the last 7 consecutive years. The company announced 7:10 bonus and Rs 5 dividend for which November 4 has been fixed as the record date.

Opto has always traded at a premium to the market due to high growth, healthy margins and up side from potential acquisitions. But with the recent market fall and overhang of large ownership by FIIs, the stock price has corrected more than warranted, making it attractive. The EPS for trailing 12 months discounts the current price by a PE of less than 10. With huge demand for company's products and ample opportunities in non-invasive medical diagnostics business, the stock is a strong buy. g

The author has no exposure in the stock recommended in this column. gfiles does not accept responsibility for investment decisions by readers of this column. Investment-related queries may be sent to gfilesindia@gmail.com with Dr Sood's name in the subject line.

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Kosi brings a bonanza

AFTER the fury of the Kosi rendered over two million people homeless in what the Prime Minister called a "national calamity", the state machinery swung into action to purchase tents. Being an emergency purchase, the usual procedure of inviting quotations and tenders was done away with.

A team of officers rushed to Delhi to make the purchase worth Rs 20 crore without fear of facing any audit objections or vigilance inquiry. After a hurried survey, the selected suppliers were reportedly asked to quote a price 20 per cent higher than actual and the deal was finalized. The team returned to Patna, pocketing approximately Rs 4 crore.

Thanks to the governance provided by Chief Minister Nitish Kumar, the tents reached the flood victims and quality was not compromised.

Prime postings in exile

WITH the announcement of Lok Sabha polls expected by January, the UPA government has started relocating its trusted officers to greener pastures in the country and abroad. In case it is forced to occupy the Opposition benches in Parliament, the babus will wait until their present political masters recapture power.

Pulock Chatterji, a low-profile 1974-batch IAS officer of the Uttar Pradesh cadre and currently Principal Secretary to the Prime Minister, has been chosen to replace the present Executive Director of the World Bank, Dhanendra Kumar, who was to retire on October 31. Chatterji, besides endearing himself to the Gandhi family during his stint as District Magistrate of Sultanpur in UP, has spent many years on Central depu-

tation serving, directly or indirectly, the Congress president.

Kumar has been strategically granted extension till January 31 to ensure Chatterji's presence in South Block till the start of the general election. It is learnt that Chatterji might act as troubleshooter for the Prime Minister in case of pre-poll political misunderstanding.

Babu pays for Maya's lapse

THE Mayawati government has ultimately found a scapegoat in the Rail Coach Factory case and suspended a 1981-batch officer of the IAS cadre, Balvinder Kumar. Sonia Gandhi announced her decision to visit Rae Bareli for *bhoomi poojan* for the rail factory when he was Principal Secretary, Revenue. He was held guilty for not placing the land allotment issue before the state Cabinet for approval.

The cancellation of land allotment invited strong criticism of Mayawati as the decision projected her as being against development. In defence, she said the land deal had been cancelled for want of Cabinet approval. She also hinted at action against officials by blaming them and appointed the Netram Committee to inquire into the alleged lapses.

The point is that allotment of *gram samaj* land does not need Cabinet approval. A notification issued on May 7, 1981 under the Zamindari Abolition Land Reform (ZALR) Act declares District Magistrates and Divisional Commissioners competent enough for resumption and allotment of *gram samaj* land. This notification was followed in the Rail Coach Factory land allotment case.

Official documents pertaining to the allotment of land in Rae Bareli show it was cleared by Mayawati herself. The noting with regard to the clearance of the allotment was made on May 8, 2008 and thereafter the file was processed and routed through different levels, including Revenue Minister Phagu

Chauhan. In pursuance of this, the resumption of the contentious 188.253 hectares of barren land of the *gram samaj* was passed by Vijay Shanker Pandey, then Commissioner, Lucknow division, and later the mutation of the land was done by the DM, Rae Bareli in favour of the factory, which was finally given possession on September 10.

Pandey, who was also Principal Secretary to the Chief Minister and had issued the land allotment order, was promoted as Additional Cabinet Secretary.

Brickbats for Chadha panel

THOUGH the UGC Pay Review Committee headed by GK Chadha, member of the Economic Advisory Council to the PM, submitted its controversial report on the new pay structure for teachers on October 3, the Congress is unable to implement its recommendations. To do so would violate the code of conduct for the forthcoming Delhi Assembly polls.

The Chadha Committee was constituted simultane-

ILLUSTRATIONS: ARUNA

ously with the Sixth Pay Commission. It understandably waited for the Pay Commission's report to be out so that it could accordingly make recommendations. The Pay Commission report came in March this year, but the Committee allegedly slept over it. Chadha wrote several letters to the HRD Ministry, seeking irrelevant information to gain time. After a month's extension, he submitted the report. The government had 10 days' time but slept over it. The Congress wanted to use the recommendations to woo the five lakh teachers in the country. Now, it has convened a Cabinet meeting on December 4 to discuss the issue. And Chadha, a former teacher, has been ostracized by the community and his fate in the PMO hangs in the balance. g

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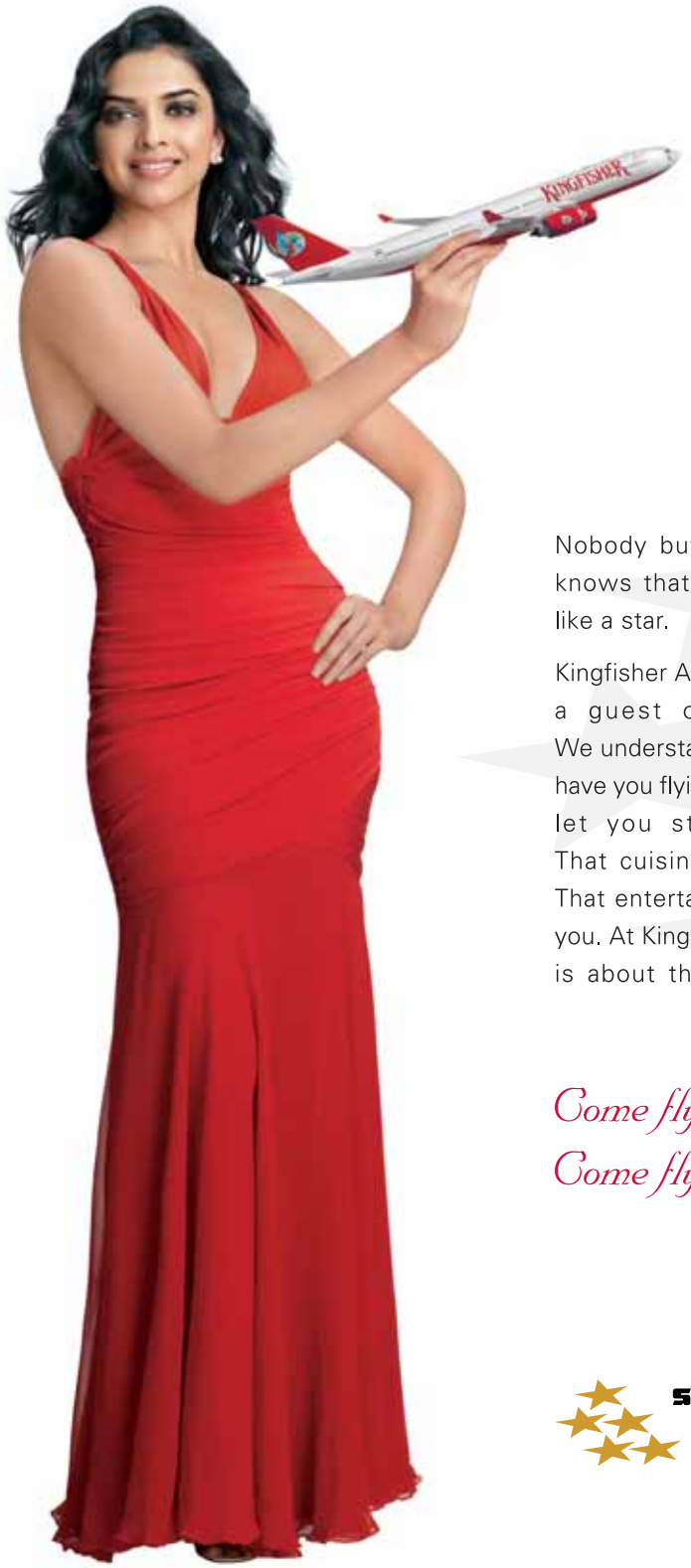

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